

JOINT INTERIM COMMITTEE ON HIGHER EDUCATION



Report to the Legislature November 2004

Co-Chairs: Senator Florence Shapiro and Representative Geanie Morrison
Members: Senator Kip Averitt, Senator Robert Duncan, Senator Kyle Janek, Senator Royce West,
Senator Judith Zaffirini, Representative Fred Brown, Representative Tony Goolsby,
Representative Roberto Gutierrez, Representative Lois Kolkhorst, Representative Sylvester Turner,
Martin Basaldua, Jerry Farrington, Jodie Jiles, Robert Shepard



JOINT INTERIM COMMITTEE ON HIGHER EDUCATION



78th Legislature

Sen. Florence Shapiro
Co-Chair
Sen. Kip Averitt
Sen. Robert Duncan
Sen. Kyle Janek
Sen. Royce West
Sen. Judith Zaffirini

Public Members
Martin Basaldua
Jerry Farrington
Jodie Jiles
Robert Shepard

Rep. Geanie Morrison
Co-Chair
Rep. Fred Brown
Rep. Tony Goolsby
Rep. Roberto Gutierrez
Rep. Lois Kolkhorst
Rep. Sylvester Turner

November 1, 2004

The Honorable Rick Perry
Governor of the State of Texas
P.O. Box 12428
Austin, Texas 78711

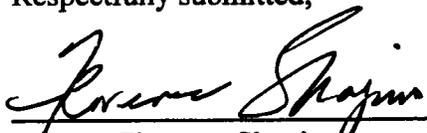
The Honorable David Dewhurst
Lieutenant Governor of the State of Texas
P.O. Box 12068
Austin, Texas 78711

The Honorable Tom Craddick
Speaker of the House of the State of Texas
P.O. Box 2910
Austin, Texas 78768

Dear Governor Perry, Lieutenant Governor Dewhurst and Speaker Craddick:

The Joint Interim Committee on Higher Education is pleased to submit its final interim report for consideration.

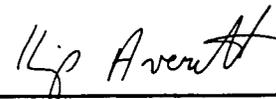
Respectfully submitted,



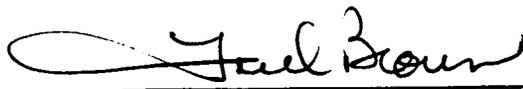
Senator Florence Shapiro,
Co-Chair



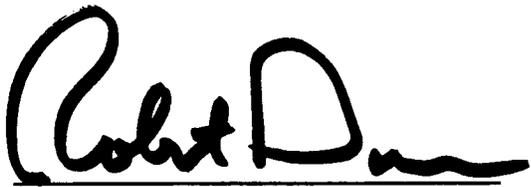
Representative Geanie Morrison,
Co-Chair



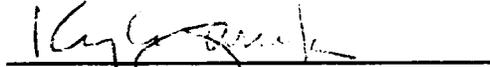
Senator Kip Averitt



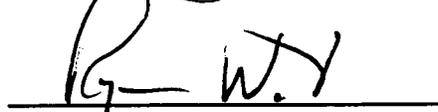
Representative Fred Brown



Senator Robert Duncan



Senator Kyle Janek



Senator Royce West

Senator Judith Zaffirini



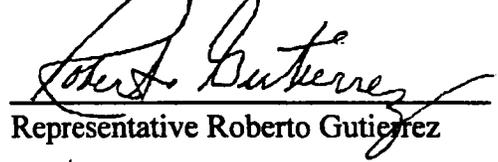
Dr. Martin Basaldua



Mr. Jodie Jiles



Representative Tony Goolsby



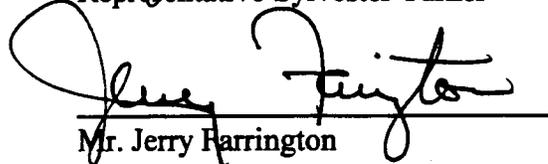
Representative Roberto Gutierrez



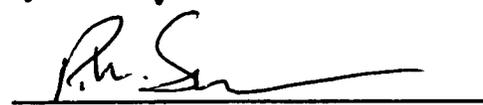
Representative Lois Kolkhorst



Representative Sylvester Turner



Mr. Jerry Harrington



Mr. Robert Shepard



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State of Texas
House of Representatives
SYLVESTER TURNER
STATE REPRESENTATIVE

P.O. BOX 2910
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October 21, 2004

Senator Florence Shapiro
Capitol
3E-2
Austin, Texas

Representative Geanie Morrison
Capitol
E2-904
Austin, Texas

RE: Higher Education Joint Committee/Recommendation on Article 8

Dear Committee Chairs:

In reference to Article 8 , I disagree with recommendation 1 (one) and 2 (two), in terms of including all Universities within a University System. I do and can agree with coordinating boards looking at ways for improving an existing system, but not eliminate the few remaining independent colleges and place them within an existing system. I fully support the remaining Articles.

Sincerely,



Sylvester Turner

ST:pdw
attached to report



The Senate of The State of Texas

SENATE COMMITTEES:

CHAIRMAN
Subcommittee on Higher Education

VICE CHAIRMAN
Education

MEMBER
Finance
Health and Human Services
Jurisprudence

Senator Royce West
District 23

October 18, 2004

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The Honorable Florence Shapiro, Co-Chair
Joint Interim Committee on Higher Education
Capitol, Room 3E.2

The Honorable Geanie Morrison, Co-Chair
Joint Interim Committee on Higher Education
Capitol Extension, Room E2.904

Dear Chair Shapiro and Chair Morrison:

Thank you for your leadership during the 78th Interim as co-chairs of the Joint Interim Committee on Higher Education. Although I will sign the final Report to the Legislature as an endorsement of this committee's hard work and the many strong recommendations upon which we agree, I regret that I cannot support all of the draft recommendations.

Specifically, I am opposed to the following recommendations:

Charge #6. Recommendation #1: In its biennial appropriation of formula funding for higher education, the legislature should adopt a matrix that reflects a blend of the actual cost of the full funding formula with historical funding levels that retain legislative incentives.

This recommendation appears to be a tacit endorsement of the Texas Higher Education Coordinating Board's recommendation to adopt a cost-based methodology for determining the relative weights in the Instruction and Operations (I & O) matrix. While I support a cost-based methodology in principle, I do not want my vote for the committee's recommendation to be perceived as support for the Coordinating Board's recommendation. Although the Coordinating Board recommended phasing in this methodology over several biennia, preventing any institution from receiving greater than a three percent loss in I&O formula funding this biennium, this recommendation would still result in devastating losses for Texas Woman's University and Texas Southern University.



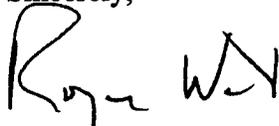
Chair Florence Shapiro and Chair Geanie Morrison
Page 2
October 15, 2004

Charge #6. Recommendation #6: The Legislature should make changes to tuition and fee flexibility granted to community college districts to set differential tuition, and clarify their authority for assessing fees, similar to the complete authority granted to public universities.

The Legislature granted the authority to set differential tuition to general academic institutions beginning with the 2003 fall semester. This authority should not be extended to community colleges until a full assessment has been made of the impact of this change at four-year institutions.

If these two recommendations are included in the final report, please include this letter as a record of my dissent. Thank you for your consideration of my concerns. I look forward to working with both of you on higher education issues during the 79th Legislative Session.

Sincerely,

A handwritten signature in black ink, appearing to read "Royce West". The signature is stylized and cursive.

Senator Royce West

RW/cs



Judith Zaffirini

**State Senator, District 21
President Pro Tempore, 1997**

Committees
Finance, Vice Chair
Education
Health and Human Services

Committees
International Relations and Trade
Legislative Budget Board

October 25, 2004

**Senator Florence Shapiro, Co-Chair
Representative Geannie Morrison, Co-Chair
Joint Interim Committee on Higher Education
Texas Legislature
Austin, Texas 78711**

Dear Chair Shapiro and Chair Morrison:

Thank you for your hard work as Co-Chairs of the Joint Interim Committee on Higher Education. It was my privilege to serve with you, and I appreciate the opportunity to share my perspective regarding the Interim Committee report. Although the committee has offered many fine recommendations to improve higher education in Texas, I respectfully decline the opportunity to sign the final report for several reasons, some of which I articulate in this letter.

First and foremost, I disagree with the committee's recommendation that the legislature award TEXAS Grants to eligible students during their first two years of college and use the B-On-Time Student Loan Program to provide assistance during their upper-division undergraduate years. When I authored and passed SB 4, which established the B-On-Time Student Loan Program, the intent was to reward any student who is graduated timely. This serves two important goals. First, it improves the four-year graduation rates of our universities, thus making available scarce resources for other deserving students. Second, it provides much needed financial relief to families struggling with the cost of higher education.

The committee's proposal to package B-On-Time loans with TEXAS Grants is inconsistent with the legislative intent of SB 4. Timely graduation provisions are not part of TEXAS Grants' eligibility requirements, and, presumably, under the

Letter to Chair Shapiro and Chair Morrison

October 25, 2004

Page 2 of 2

committee's proposal only students who first received TEXAS Grants would be awarded B-On-Time loans.

The committee's recommendation may be motivated by budgetary considerations, but may hinder our ability to achieve the goals of *Closing the Gap*. Our priority should not be to limit funding for higher education and student financial aid programs, but to find ways to increase such funding so that more students have access to an affordable, quality education.

Second, I oppose the provisions that potentially may affect the structure and function of our university systems. In 1985 the Select Committee on Higher Education caused great consternation, then fizzled. Many of us have worked hard to decentralize our systems so that more Texans can pursue their education. This recommendation may cause similar grief and distract educators from their tasks at hand. Each university system plays a unique role in carrying out the state's mission of providing a high quality education. Given the geographical and ethnic diversity of the state, the various educational needs of Texas students are served best by the current university systems structure.

Although I attended every meeting of our joint committee, I do not recall hearing any compelling testimony that would result in these recommendations.

Thank you for your dedication to these important issues. Higher education is my passion, and you can count on my continued leadership to improve it statewide. Similarly, I appreciate your continued efforts to improve higher education in Texas.

May God bless you.

Very truly yours,

A handwritten signature in cursive script that reads "Judith Zaffirini". The signature is written in black ink and is positioned above the printed name.

Judith Zaffirini, PhD

JZ/wve

JOINT PROCLAMATION

Pursuant to S.B. 1652, 78th Legislature, Regular Session, we hereby create the **Joint Interim Committee on Higher Education**. The committee shall study the structure and organization of higher education in this state, including the administration and operations of public and independent institutions of higher education; and study the equity and adequacy of higher education funding and its relationship to the purposes of higher education, including providing opportunities to students to achieve their educational goals, furthering knowledge through research, and providing direct services as local, regional, and state engines of economic development. The committee shall also examine the effects of student and community characteristics on the costs of higher education, including the income and education levels of the families of students, unemployment rates, population growth, and other uncontrollable factors. The committee shall identify the number and types of classified and unclassified positions in the administration of each university system and examine each major function, service, or activity performed by university system offices, including: central administration, academic affairs coordination and support, general counsel and other legal services, budgeting, accounting, and data reporting, fiscal management, facilities planning and construction, governmental relations, audit services, real estate management, information technology services, and aircraft operation and usage. The committee shall identify opportunities for legislative and administrative action relating to changes in the organization and operations of institutions of higher education that will improve opportunities for residents of all areas of the state to enroll in and complete programs of higher education, changes in the funding of institutions of higher education and university systems to maximize the state's limited resources to meet the higher education needs of the state,

including incentives for sharing arrangements to improve productivity, accountability measures and performance incentives for institutions of higher education and university systems that are aligned with the purposes of higher education and that are sensitive to mission differentiation among institutions of higher education, the consolidation or reorganization of university system office functions and services, including the consolidation or reorganization of university systems to promote efficiency and productivity; and potential reductions in personnel and other cost savings associated with the committee's recommendations.

The committee's recommendations shall include a plan for deregulation seminaries and similar institutions offering exclusively religious education or training. The plan must permit those institutions to confer or offer to confer religious degrees without accreditation and may include disclosure requirements and other appropriate safeguards to address potential fraud or deception. The requirements or safeguards may not authorize the state or a political subdivision of the state to assert regulatory authority over religious degree programs offered by those institutions.

In accordance with the provisions of H.C.R. 280, 78th Legislature, Regular Session, the co-chairs shall prepare and present to the presiding officers a proposal for budget and staffing. To the greatest extent possible, the committee shall use the existing staff and administrative resources of committee members, of the Senate Education Committee and the House Higher Education Committee, of officers of the Senate and House, and of legislative service agencies. Where appropriate, the committee shall request the assistance of executive agencies related to the committee's charge.

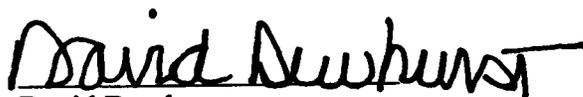
The final report of the committee should be approved by a majority of the members of the committee and include any recommended statutory or regulatory changes. The committee is

encouraged to complete its work as soon as possible, but a final report should be submitted to The Lieutenant Governor and Speaker of The House of Representatives no later than November 15, 2004. The committee is terminated when the 79th Legislature convenes. The following members are hereby appointed to The Joint Interim Committee on Higher Education:

Senator Florence Shapiro, Co-Chair
Representative Geanie Morrison, Co-Chair

Senator Kip Averitt
Senator Robert Duncan
Senator Kyle Janek
Senator Royce West
Senator Judith Zaffirini

Representative Fred Brown
Representative Tony Goolsby
Representative Roberto Gutierrez
Representative Lois Kolkhorst
Representative Sylvester Turner


David Dewhurst
Lieutenant Governor

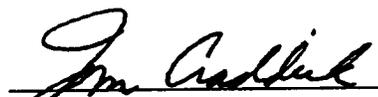

Tom Craddick
Speaker of The House

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EXECUTIVE SUMMARY

As authorized by Senate Bill 1652, the Joint Interim Committee on Higher Education has been studying the organization, operations, and funding of higher education. The first four charges concern the collection of data. Charges five through ten detail specific areas that the committee should study and make recommendations.

Recommendations that request additional appropriations are contingent upon available funding.

Charge 5: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

Changes in the organization and operations of institutions of higher education that will improve opportunities for residents of all areas of the state to enroll in and complete programs of higher education.

Recommendation 1:

The legislature should promote high school preparation and college success by awarding TEXAS Grants to eligible students during their first two years of college (first three years if they have acquired an associate's degree) and use the B-On-Time Student Loan Program to provide assistance in the upper-division undergraduate years.

Recommendation 2:

The legislature should modify the tuition rebate program to include awards to students graduating on time as measured by years, not just hours.

Recommendation 3:

The legislature should continue state support for the College for Texans Campaign.

Recommendation 4:

The legislature should align state academic progress requirements for the TEXAS Grant II Program to conform with the requirements of the TEXAS Grant Program and Texas B-On-Time Loan Program.

Recommendation 5:

The legislature should adjust the statute for the Educational Aide Exemption Program to indicate that a year of work as an educational aide is only a requirement for receiving a recipient's initial award in the program.

Recommendation 6:

The legislature should allow for institutions to issue funds generated through the Student Deposit Scholarship Program to students through the Texas Public Educational Grant Program.

Recommendation 7:

The legislature should allow institutions to issue their License Plate Insignia Scholarship Program funds to students through the Texas Public Educational Grant Program.

Recommendation 8:

The legislature should allocate the funds as follows:

- The legislature should appropriate \$683,000 to the Texas College Work-Study Program, where state funds leverage employer contributions to generate approximately \$911,000 in student earnings.
- The legislature should appropriate \$250,000 to the Professional Nursing Loan Repayment Program, where it will attract federal matching funds and produce \$500,000 in awards for nurse practitioners.
- The legislature should appropriate \$500,000 to supplement existing State Nursing Scholarship programs for professional nurses, to encourage nurses to pursue a faculty track.

Recommendation 9:

The legislature should require the P-16 Council to develop a college-readiness program for eighth through twelfth-graders in all public schools by 2008.

Recommendation 10:

The legislature should allow the Coordinating Board to draw down a portion of financial aid funds in August when most students are registering for fall enrollment and must pay for tuition, fees, and books.

Recommendation 11:

The legislature should require institutions of higher education to allow students to enroll on an accounts-receivable basis for tuition and fees if they are unable to pay due to a timing delay of the release of federal or state financial aid funds.

Recommendation 12:

The legislature should allow students who have been approved for financial aid to enroll under the installment plan even if financial aid funds are delayed beyond the initial installment payment date.

Recommendation 13:

The legislature should expand the Hinson-Hazelwood College Student Loan Program to allow eligibility for students enrolled in alternative certification programs approved by the State Board for Educator Certification.

Recommendation 14:

The legislature should amend the statute that allows the state to use the federal Lender's Special Allowance to pay for the administration of loan and grant programs and extend the authority to allow such funds to be awarded to students through the TEXAS Grant or other state financial aid programs.

Recommendation 15:

To eliminate confusion with the TEXAS Grant program, the legislature should change the name of the TEXAS Grant II program.

Recommendation 16:

The legislature should provide the same hardship provisions for the students receiving awards through the TEXAS Grant II program as are available for students in the TEXAS Grant Program.

Recommendation 17:

The legislature should end the inefficiency and confusion created by dual administration and assign full administration of the Tuition Assistance Program for Members of State Military Forces, [i.e., National Guard] to the Texas National Guard.

Recommendation 18:

The legislature should retain the eligibility dates established by House Bill 1882, and repeal the delayed eligibility dates codified by Senate Bill 1366.

Recommendation 19:

The legislature should clarify sovereign immunity and eminent domain statutes so they clearly apply to community colleges.

Recommendation 20:

The legislature should review the recommendation made by the Texas Higher Education Coordinating Board in January 2003 that endorses the incorporation of territory within the community colleges' legislatively designated service areas into the taxing districts.

Recommendation 21:

The legislature should direct the Coordinating Board to provide a biennial analysis of major sources of revenue and expenditures for each community college district, beginning with the 2003-04 biennium. The format used by the Coordinating Board for reporting data on higher education universities in March 2004 should be used as a template.

Recommendation 22:

The legislature should direct the Coordinating Board to provide a biennial analysis of the cost of attendance and major sources of financial aid, including grants, loans, scholarships, gifts, federal and state work study, and private sources for each community college district, beginning with the 2003-04 biennium. The format used by the Coordinating Board for reporting data on higher education universities in March 2004 should be used as a template.

Recommendation 23:

The legislature should direct the Coordinating Board to continue development of field-of-study curricula to allow students to seamlessly transfer course credit from one institution of higher education to another.

Recommendation 24:

The legislature should clarify the state's definition of employee for qualification of health insurance benefits in higher education.

Recommendation 25:

The legislature should review the establishment of a group insurance set aside for community colleges that experience dramatic enrollment growth during the biennium and must therefore fund significant increases in faculty and staff.

Charge 6: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

Changes in the funding of institutions of higher education and university systems to maximize the state's limited resources to meet the higher education needs of the state, including incentives for sharing arrangements to improve productivity.

Recommendation 1:

In its biennial appropriation of formula funding for higher education, the legislature should adopt a matrix with a phase-in period that reflects a blend of the actual cost of the full-funding formula with historical funding levels that retain legislative incentives.

Recommendation 2:

The legislature should give priority to the Coordinating Board's 2006-07 recommendation to increase state funding for community colleges by an additional \$279.9 million (from \$1.598 billion to \$1.878 billion), amounting to 60.3 percent of the cost of the full-funding formula.

Recommendation 3:

The legislature should restore the FY 2004 vetoed funding of \$10.8 million for both the Texas Excellence Fund and University Research Fund as an emergency appropriations item.

Recommendation 4:

The legislature should require that general revenue funding be used to reimburse higher education institutions for the cost related to debt service of all legislatively approved Tuition Revenue Bonds, and thereby honor the commitment made when these bonds were authorized.

Recommendation 5:

The 79th Legislature should direct the Legislative Budget Board to provide an update to the first edition on the report entitled *Financing Higher Education in Texas - Legislative Primer*, dated January 2003. The section entitled *State Funding for General Academic Institutions of Higher Education*, dated February 2002, should also be updated.

Recommendation 6:

The legislature should make changes to the tuition and fee flexibility granted to community college districts to set differential tuition, and clarify their authority for assessing fees, similar to the authority granted to public universities.

Recommendation 7:

The legislature should provide funding to encourage dual credit programs that community colleges have with their service area high schools and reimburse the colleges for the cost of tuition, fees and textbooks of qualifying students. Such funding would make these programs more accessible and attractive to colleges and students, and reduce the time between a high school and college degree.

Recommendation 8:

The legislature should adjust state funding formulas for the 2006-07 biennium so that any public community college that experiences a decrease of more than 10 percent in contact hour funding from one biennium to the next shall be held harmless from the actual dollar loss in excess of 10 percent. The legislature may discontinue such hold-harmless funding to colleges that experience declines in enrollment growth.

Recommendation 9:

The legislature should take appropriate action to ensure that the Dramatic Enrollment Growth Fund trusted with the Coordinating Board is restored to historic thresholds of appropriations for dramatic enrollment growth.

Recommendation 10:

The legislature should continue the funding floor for small colleges.

Recommendation 11:

The legislature should increase the appropriation (\$25 million for 2004-05 biennium) of the Skills Development Fund for the 2006-2007 biennium.

Recommendation 12:

The legislature should continue the funding of STARLINK and the VCT, and appropriate funding directly to the host community college district. This would allow each program a separate-strategy identity and facilitate the pass-through of funds directly to the fiscal agents. The state appropriation request for STARLINK is \$500,000 for the 2006-07 biennium; for VCT, the appropriation request for the 2006-07 biennium is \$1,000,000.

Recommendation 13:

The legislature should increase funding for TEXAS Grant II to meet student financial needs at community colleges.

Charge 7: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

Accountability measures and performance incentives for institutions of higher education and university systems that are aligned with the purposes of higher education and that are sensitive to mission differentiation among institutions of higher education.

Recommendation 1:

In order to make Texas public higher education institutions more transparent, the legislature should implement a statewide accountability plan to promote excellence through institutional groupings, peers, and benchmarks.

The statewide accountability system should include the following:

- Establishing groupings of institutions of similar types and missions;
- Determining appropriate measures that reflect institutional performance;
- Determining benchmarks against which to measure success;
- Assessing progress annually and taking steps to improve performance; and
- Restricting authority to deregulate tuition for those institutions whose performance is judged unsatisfactory within the accountability system.

Recommendation 2:

The legislature should consider incorporating the benchmarks established by the Coordinating Board and the Council of Public University Presidents and Chancellors in their report to be released in December 2004.

Recommendation 3:

The legislature should direct the systems and universities to incorporate into each institutions' individual accountability system methods that place a greater emphasis on improving the accessibility, affordability and excellence of undergraduate education, particularly in compliance with the *Closing the Gaps* initiative and the state's goal of enrolling 500,000 more students in higher education by 2015.

Charge 8: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

The consolidation or reorganization of university system office functions and services, including the consolidation or reorganization of university systems to promote efficiency and productivity.

Recommendation 1:

The legislature should direct the Coordinating Board to study the consolidation and/or reorganization of university systems, their component universities, research institutions and agencies, the independent universities, and the community and technical colleges of higher education in Texas to determine if other models would better serve the State of Texas, and improve opportunities for residents of all areas to enroll in and complete programs of higher education, and better align the system with the goals of the state's master plan of *Closing the Gaps in Participation by 2015*. This report should be delivered by September 1, 2006.

Recommendation 2:

The legislature should direct the systems and the state supported independent institutions to work with the Coordinating Board and Legislative Budget Board to study the full impact of moving these universities into one of the systems. This study should weigh the advantages and disadvantages of such restructuring on the students, the institutions and the systems involved. This report should be delivered by September 1, 2006.

Recommendation 3:

The legislature should require that system offices direct and assist component institutions to coordinate collaborative functions and to continue to study and develop economies of scale and other cost-saving initiatives and incentives in order to eliminate duplication and overlap of administrative, operational or reporting responsibilities or controls, and the corresponding expenditures. Systems should record findings and report to the legislature by September 1, 2006.

Charge 9: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

Potential reductions in personnel and other cost savings associated with the committee's recommendations.

Recommendation 1:

The legislature should direct the Coordinating Board to appoint an advisory committee of representatives from the Texas Association of Registrars, Admissions Officers; Texas Association of Black Personnel in Higher Education; Texas Association of Chicanos in Higher Education; and The Texas Association of Student Financial Aid Administrators to conduct further studies to determine recommendations for aligning exemption and waiver programs with participation and success goals of *Closing the Gaps by 2015* and making them more consistent and cost-effective.

Recommendation 2:

The legislature should direct the Coordinating Board to coordinate and consolidate the scope of reporting by systems and universities so as to utilize the millions of dollars spent in a more efficient and effective manner.

Recommendation 3:

The legislature should require that the institutions of higher education in Texas, individually or through system offices or related associations, conduct a study or bid-process to explore the possibility of using a one-supplier model of purchasing to consolidate and reduce spending, specifically in IT departments, but also in other areas of major expenditure. This study should include a review of how Historically Under-utilized Businesses would be utilized under such a model. Institutions should report findings to the legislature by January 2006.

Recommendation 4:

The 79th Legislature should continue to work with the Coordinating Board, the Legislative Budget Board and the system offices for updated biennial information on the cost and function of all aspects of system administrative expense.

Recommendation 5:

The legislature should evaluate requiring that systems and universities conduct an internal or independent audit of their financial statements on a biennial or quadrennial basis and to report such results to the legislature.

As a part of this evaluation, the legislature should weigh the potential benefits of a financial audit against the costs measured in funds and institutional resources of the university and/or system to accomplish such an effort.

Charge 10: In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

Deregulating seminaries and similar institutions offering exclusively religious education or training.

Recommendation 1:

The Coordinating Board is jointly working with other interested parties on acceptable language for recommendations to the legislature. Therefore, the Joint Interim Committee on Higher Education has no recommendation at this time.

INTERIM CHARGE ONE

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with:

Study the structure and organization of higher education in the state, including the administration and operations of public and independent institutions of higher education.

Excellence in higher education demands both educational quality and access. Quality without access is not quality; it's elitism. Access without quality is not access; it's mediocrity. Educational quality and access can be achieved as we strive to manage our system of higher education more efficiently, and as we make the necessary investments in higher education to meet the needs of the state's goal of *Closing the Gaps by 2015*.

Institutions of Higher Education:

There are 142 public and independent institutions of higher education in Texas:

- 50 public community college districts (with more than 70 campuses);
- 31 public four-year universities;
- 4 public two-year, upper division universities and centers;
- 4 campuses of the Texas State Technical College System (including three extension centers);
- 3 public two-year, lower-division Lamar state colleges;
- 38 independent four-year colleges and universities;
- 9 public health-related institutions;
- 1 independent medical school; and
- 2 independent junior colleges.

In Fiscal Year 2003, Texas public universities awarded 62,385 bachelor's degrees, 20,199 master's degrees, and 3,649 doctoral or professional degrees and Texas public community and technical colleges awarded 29,597 associate degrees and 20,410 certificates. ¹

Closing the Gaps:

Closing the Gaps by 2015 was adopted in October 2000 by the Texas Higher Education Coordinating Board. The plan, has four goals: to close the gaps in student participation, student success, excellence, and research. The plan includes strategies for reaching each of the goals and an annual performance measuring system. (See Appendix A).

Goal 1. Close the Gaps in Participation – By 2015, close the gaps in participation rates across Texas to add 500,000 more students.

Progress Toward 2005 Participation Targets²

Annual Enrollment (Public and Independent Institutions)	Fall 2000	Fall 2003	Increase from 2000 to 2003	Increase to Reach 2005 Targets	2005 Targets	Percent of Targeted Increase for 2005 Achieved
Total	1,019,879	1,176,937	157,058	149,121	1,169,000	105.3%
African American	108,463	132,211	23,748	23,537	132,000	100.9%
Hispanic	237,394	291,959	54,565	102,606	340,000	53.2%
White	570,042	626,201	56,159	20,958	591,000	268%

Goal 2. Close the Gaps in Success – By 2015, increase by 50 percent the number of degrees, certificates, and other identifiable student successes from high quality programs.

Progress Toward 2005 Success Targets³

Type of Success	FY 2000	FY 2003	Increase from 2000 to 2003	Increase to Reach 2005 Targets	2005 Target	Percent of Targeted Increase for 2005 Achieved
Certificates, Associate's and Bachelor's Degrees	116,253	132,221	15,968	17,747	134,000	90%
Associate's Degrees	25,509	30,492	4,983	2,491	28,000	200%
Bachelor's Degrees	74,920	81,134	6,214	12,580	87,500	49.4%
Doctoral Degrees	2,621	2,577	(44)	179	2,800	(0.25)%
Certificates, Associate's and Bachelor's Degrees (African American)	11,217	13,425	2,208	1,783	13,000	71.1%
Certificates, Associate's and Bachelor's Degrees (Hispanics)	23,369	28,794	5,425	7,631	31,000	71.1%
Technology-Related Degrees	12,411	14,577	2,166	6,589	19,000	32.9%
Allied Health and Nursing Degrees	13,644	13,734	90	NA	13,500	102%
Teachers Certified	11,529	20,528	8,999	7,471	19,000	120.5%

Goal 3. Close the Gaps in Excellence – By 2015, substantially increase the number of nationally recognized programs or services at colleges and universities.

Progress Toward 2005 Excellence Targets⁴

Increase the number of...	2000	2003	2010
Research institutions ranked in the top 10	0	0	1
Public research universities in the top 10	0	0	2
Public liberal arts universities ranked in the top 30	0	0	2
Health Science Centers ranked among the top 10	0	0	1

Goal 4. Close the Gaps in Research -- By 2015, increase the level of federal science and engineering research funding to Texas institutions by 50 percent to \$1.3 billion.

**Progress Toward 2005 Research Targets
Federal Research and Development Dollars⁵**

Increase funding to Texas universities and health-related institutions	FY 1998	FY 2002	Increase from FY 1998 to FY 2002	Increase to Reach 2007 Targets	2007 Target	Percent of Targeted Increase for 2007 Achieved
In federal research and development dollars	\$846 million	\$1.3 billion	\$454 million	\$154 million	\$1 billion	295%

**Progress Toward 2005 Research Targets
Research Expenditures⁶**

Increase funding to Texas universities and health-related institutions	FY 1999	FY 2003	Increase from FY 1999 to FY 2003	Increase to Reach 2007 Targets	2007 Target	Percent of Targeted Increase for 2007 Achieved
Total Research and development dollars	\$1.45 billion	\$2.17 billion	\$72 million	\$75 million	\$2.2 billion	96%

INTERIM CHARGE TWO

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with:

Study the equity and adequacy of higher education funding and its relationship to the purposes of higher education, including providing opportunities to students to achieve their educational goals, furthering knowledge through research, and providing direct services as local, regional, and state engines of economic development.

Higher education is essential to the advancement of society. Support for higher education demonstrates a society's commitment to progress. By exploring the frontiers of knowledge, higher education produces new ideas to meet future challenges and an investment in education is an investment in the future development and prosperity of Texas.

Higher education accounted for 12.8 percent of the state's total all-funds appropriation and 15.8 percent of the state's general revenue appropriation for the 2004-05 biennium.⁷

State general revenue appropriations to higher education totaled \$9.25 billion for the 2004-05 biennium, a 2.7 percent decrease from \$9.51 billion for the 2002-03 biennium.⁸

General Revenue Appropriations (in billions of dollars)⁹

Biennium	2002-03	2004-05
Universities	\$3.99	\$3.93
Community Colleges	\$1.78	\$1.73
Health-Related Institutions	\$2.17	\$2.08
Technical Colleges	\$.19	\$.17
Other	\$1.38	\$1.34
Total	\$9.51	\$9.25

State all-funds appropriations to Texas higher education for the 2004-05 biennium totaled \$15.3 billion, a 5.7 percent increase over \$14.31 billion in the previous biennium.¹⁰

All Funds Appropriations
(in billions of dollars)¹¹

Biennium	2002-03	2004-05
Universities	\$5.22	\$5.46
Community Colleges	\$1.78	\$1.73
Health-Related Institutions	\$4.50	\$5.06
Technical Colleges	\$.22	\$.21
Other	\$2.58	\$2.66
Total	\$14.31	\$15.13

Higher Education Funding for General Academics:

General Revenue funds accounted for 70.4 percent of the budgeted expenditures in fiscal year 2003 for the general academic institutions, university systems offices, and the two-year Lamar institutions.¹²

General Revenue-Dedicated or Other Education and General Income Funds constituted 29.3 percent of the institutions' expenditures in fiscal year 2003.¹³

Other Educational and General Income Funds consist of tuition and fees, including teaching and lab fees, interest on local funds, student teaching fees, and indirect cost recovery.¹⁴

Other funds, such as interest earnings on tobacco-related funds and Texas A&M's Real Estate Research Center fees, make up the remaining 0.3 percent.¹⁵

Expenditures from tobacco-related fees at The University of Texas System and The University of Texas at El Paso totaled \$2.1 million.¹⁶

General Revenue Fund expenditures for fiscal year 2003 were \$30.1 million less than the Article III bill pattern appropriations.¹⁷ This includes \$4.3 million carried forward from fiscal year 2002 in unexpended balances and adjustments from Article IX, 2002-03 General Appropriations Act.¹⁸ Adjustments included 54.7 million from Article IX, Sec. 10.19 for debt service for tuition revenue bonds authorized in House Bill 658, 77th Legislature, 2001; \$22.4 million from Article IX, Sec. 10.12 for salary increases and longevity pay; \$6.4 million from Article IX, Sec. 10.23 for transfers to institutions from the State Office of Risk Management; and a decrease of \$0.4 million from Article IX, Sec. 10.36 for reverse auction reductions.¹⁹ Institutions also had a reduction of \$117.3 million, or approximately 6.5 percent, of their appropriated General Revenue funds because of provisions within House Bill 7, 78th Legislature, Regular Session, 2003.²⁰

Other Education and General Revenue Funds generated in fiscal year 2003 exceeded preliminary estimates by 17.8 percent.²¹ The increase included \$29.7 million in unexpended balances from fiscal year 2002 and a rise in tuition, fees, and indirect cost recovery.²²

Higher Education Funding for Community Colleges:

Providing for community colleges has been a shared responsibility among the state, local taxpayers, and community college students.²³ State funds and local funds are the main sources of revenue for Texas' public community colleges.²⁴ Community college boards raise local funds through tuition and fees and local property taxes.²⁵ State funds are appropriated by the legislature based on formula funding, which distributes available state general revenue funds for a portion of the total administrative and instructional costs of the individual institutions.²⁶

The authority for formula funding development and appropriation recommendations is granted by the Texas Education Code to the Texas Higher Education Coordinating Board.²⁷ From the inception of the formula system to 1994, the Coordinating Board's recommendation was very straight forward and consistent with the Board's Master Plan; the recommendation was the amount generated from the All Funds Expenditure Report (AFER) plus inflation. This report (AFER, formerly known as the "Cost Study") is submitted every year by each community and technical college, and used to determine the institution's instructional and administrative expenses associated with eight specific areas referred to as the "eight elements of cost" (faculty salaries, departmental operating expense, instructional administration, student services, institutional support, organized activities, library, and staff benefits) for 26 institutional fields. The Coordinating Board compiles the results of the AFER and determines the median cost per student contact hour for each of the these elements of cost.²⁸ The total median cost of instruction and administration is then determined by multiplying the rates for each instructional program area, such as mathematics or dental hygiene, with the number of contact hours generated by that particular program area.²⁹ The resulting total cost of instruction and administration is typically referred to as "full formula funding." Due to budget concerns, in recent years the legislature has not fully funded the Coordinating Board's formula recommendations, with the result that each institution receives only a percentage of the full formula funding model.

Prior to the 74th Legislature (1995), the Coordinating Board recommended funding 80 percent funding of the formula.³⁰ In 1997, 73 percent of the formula was recommended, a result of *deducting* tuition and fees from the total

cost of instruction.³¹ For the 76th Legislature (1999), the Coordinating Board made three different recommendations: full formula funding, previous appropriation plus inflation, and a mid-range recommendation based on "zero ad valorem tax subsidy of instructional and administrative programs."³² Two years later, three formula models were included: full formula funding, a formula adjusted for inflation and "zero ad valorem tax subsidy," and a formula reflecting 81 percent of instructional and administrative costs.³³ Due to budget shortfalls, the Coordinating Board supported the 81 percent model. For the 78th Legislature(2003), a model with 66.65 percent of the FY 2001 AFER was recommended, again due to budget concerns.³⁴ All reports and recommendations to the Legislature from the Coordinating Board are based upon the formula rates generated from the AFER.

For the current 2004-05 biennium, the General Revenue formula appropriation of 1.599 billion is 52 percent of the full-cost formula.³⁵ This appropriation was 4.7 percent less than funding for 2002-03 (1.679 billion).³⁶

To illustrate the growth of community college enrollment with the history of funding by the state, local taxpayers, and students, from Fall 1994 to Fall 2003:

- 30.7 percent increase in enrollment (from 392,598 students to approximately 514,000 students),³⁷
- 30.4 percent increase in state formula appropriations (from \$576.4 million in FY 1994 to \$751.4 million in FY 2004);³⁸
- 122.5 percent increase in non-appropriated tuition and fees (from \$273.2 million in FY 1994 to \$607.9 million in FY 2003);³⁹
- 139.4 percent in non-appropriated property tax revenue (from \$310.3 million in FY 1994 to \$742.9 million in FY 2003).⁴⁰

Taking inflation into account, tuition and fees have increased 73.3 percent and property tax income has increased 86.9 percent since 1994.⁴¹ The formula appropriation has **decreased** by 0.9 percent during the same time period.⁴²

State funds may not be used to support physical plant costs at the 50 community and junior college districts, so no appropriation is made for that purpose.⁴³ The Texas State Technical Colleges (4 campuses) and the Lamar State Colleges (3 campuses) use the same formula as the community colleges for administration and instruction, but because they are state institutions, they are eligible for an additional infrastructure appropriation for their physical plant costs.⁴⁴

Community colleges enroll 45.2 percent (Fall 2003) of the state's higher education students which makes these institutions the largest sector of higher education.⁴⁵ Over 1.1 million students pass through the doors of Texas public and community colleges.⁴⁶ Seventy-four percent of the freshmen and sophomores in Texas public higher education are attending one of the state's community colleges.⁴⁷ The contact hour growth of community colleges for the 2004-05 shows an increase of 15 percent.⁴⁸

A major goal of *Closing the Gaps by 2015* that was adopted by the Coordinating Board in November 2000 is to enroll 500,000 more students in higher education across Texas by 2015.⁴⁹ Based on the trends of the 1990's, 200,000 of these students could be expected to enroll even without additional recruitment and retention efforts, so the campaign targets the 300,000 "missing" students who would not otherwise enroll in higher education. Increasing community college enrollment is a key component of this critical, widely accepted initiative. Community colleges are the largest sector of higher education with a Fall enrollment of 514,548 students enrolled in semester-length credit courses,⁵⁰ accounting for 45.2 percent of students enrolled in higher education.⁵¹ In FY 2003, 48 of the 50 community college districts had increased enrollment from the previous year base and 33 of these colleges had 10 percent or more growth.⁵² State officials expect that trend to continue, which means that over 250,000 of the targeted 500,000 increased enrollment will occur on community college campuses.

Higher Education Funding for Health-Related Institutions:

The institutions' expenditures for fiscal year 2003 were approximately 4.9 percent more than the appropriated amounts, primarily because of the growth in indirect cost recovery associated with research grants and an increase in hospital income at The University of Texas M.D. Anderson Cancer Center.⁵³

Forty-seven percent of General Revenue Funds and 30 percent of General Revenue-Dedicated Funds were expended by the health-related institutions in fiscal year 2003 for educational programs.⁵⁴ These programs included:⁵⁵

- Medical education in the prevention, diagnosis, and treatment of diseases;
- training in biomedical sciences;
- nursing and dental education;
- pharmacy education and training;

- physicians assistant academic and clinical training;
- education for allied health professionals who will be involved in identifying, evaluating, treating, and preventing diseases, injuries, and conditions; and
- training in public health programs that focus in preventive care/health promotion for public health needs.

Approximately 70 percent of the institutions' expenditures from Other Funds and 30 percent of General Revenue Funds were expended for patient care, which included operational support activities and delivery of care in the institutions' hospital and clinics.⁵⁶ The health-related (except for The University of Texas Southwestern Medical Center at Dallas, the University of North Texas Health Science Center at Fort Worth, and Texas Tech University Health Sciences Center) generate the majority of their Other Funds, which are primarily hospital income, through the operation of a hospital or dental clinic.⁵⁷

The institutions had expenditures from Tobacco-related Funds totaling \$52.6 million in fiscal year 2003.⁵⁸ These funds were expended for programs benefiting medical research, health education, and treatment programs.⁵⁹

The institutions also had a reduction of approximately 2.1 percent of their appropriated General Revenue Funds because of provisions in House Bill 7, 78th Legislature, Regular Session, 2003.⁶⁰ Institutions achieved this reduction primarily by reducing travel, freezing faculty hiring, reducing administration and departmental expenses, curtailing capital expenditures, increasing class size, and reducing student services.⁶¹

Community College Tax Base:

The Texas Education Code assigns each community college district service areas for providing educational services.⁶² The statute defines service area as (1) territory within the boundaries of the district as well as (2) territory outside the boundaries of the district in which the community college provides service. (See Appendix B)⁶³

Currently, 35 percent of the state's taxable property valuation (not geographic territory) is located outside a community college district.⁶⁴ The citizens residing in those areas are being served by community colleges but are not providing property tax support. In most cases, students from outside a community college district are paying higher out-of-district tuition and fees in the absence of tax support. On average, these students pay 29 percent higher tuition and fees than their in-district counterparts.⁶⁵

Studies conducted on the appropriateness of the current districts show that 46 out of 50 public community college districts would receive additional tax revenues by re-aligning district lines, three would see no revenue change and one would lose money.⁶⁶ These facts indicate that only a few of the college districts' taxing areas are aligned with their service areas.

Colleges do have annexation authority under current statutes, but most of these methods are fairly cumbersome and the hurdle for successful annexation elections is fairly high. There have been some successful annexation elections in recent years, but also some dramatic failures.⁶⁷

Tuition Revenue Bonds:

Tuition Revenue Bonds (TRBs) are issued by institutions of higher education for which future revenue (tuition and fees) is pledged for repayment of the bonds.⁶⁸ The Legislature must authorize bond issuance through legislation, and bond proceeds are generally used to fund institutional construction projects, such as classroom facilities, dormitories, and other university buildings.⁶⁹ All institutions issue, sell and service the debt on their own bonds, except that the Texas Public Finance Authority issues bonds for Midwestern State University, Stephen F. Austin University and Texas Southern University.⁷⁰ The authorization and issuance of the bonds is not contingent on an appropriation for related debt service, but legislative practice has been to use General Revenue to reimburse institutions for the cost related to debt service.⁷¹ The Tuition Revenue Bond debt service appropriation can only be used for paying related debt service, and lapses at the end of the biennium if not used for that purpose.⁷²

TRBs were first authorized in 1971 in the amount of \$185 million.⁷³ The 77th Legislature (2001) authorized \$1.081 billion for TRBs.⁷⁴ In 2003, the 78th Legislature authorized nearly \$253.9 million in tuition revenue bonds.⁷⁵

Dramatic Enrollment Growth Fund:

The purpose of the dramatic enrollment growth fund is to provide general revenue funds for institutions of higher education that experience dramatic enrollment growth during the biennium.

Separate appropriations are made to general academic institutions and two-year institutions and different thresholds for dramatic enrollment growth are applied to each sector. General academic institutions receive dramatic enrollment growth funds if enrollment increases 3 percent in the first year of the biennium

or 6 percent in the second year of the biennium.⁷⁶ The enrollment growth fund for general academic institutions was instituted by the 77th Legislature (2001). Prior to that time, general academics were appropriated an estimated growth amount for each year of the biennium.

The threshold levels for determining dramatic enrollment growth for two year institutions have varied. The 75th Legislature (1997) provided the first appropriation for two year dramatic growth (\$2.0 million) and defined dramatic enrollment growth as any enrollment increase over 10 percent in a two year period (e.g., from Fall 1995 to Fall 1997).⁷⁷ In 1999, the 76th Legislature appropriated \$10.0 million to the dramatic enrollment growth fund and established a two-tier system for eligibility.⁷⁸ Funds first went to colleges with more than 10 percent enrollment growth.⁷⁹ If any funds were left over, college districts with more than 5 percent enrollment growth received these funds.⁸⁰ The 77th Legislature (2001) appropriated the same amount to the dramatic enrollment growth fund (\$10.0 million) and kept the same threshold levels and added increases in nursing enrollment as the first priority for this fund.⁸¹ The 78th Legislature (2003) combined the dramatic enrollment growth fund with the new campus fund. Of the \$18.0 million appropriated, \$16.4 million was dedicated to new community college campuses.⁸² Increases in nursing enrollment is the first priority for any remaining funds.⁸³ If any funds remain, colleges with a yearly enrollment growth of 15 percent will receive an appropriation followed by any colleges with an 8 percent yearly growth.⁸⁴

Seamless Transfer:

Texas has emerged as a national leader in terms of the breadth and depth of its transfer initiatives.⁸⁵ It is one of a handful of states that has a statewide common course numbering system for college courses and may well be the only state in which every public institution of higher education participates in common course numbering voluntarily.⁸⁶ The statewide core curriculum and field of study curricula also put Texas in a relatively small group of states that do not depend on an exhaustive list of institution-to-institution course equivalencies to drive transfers.⁸⁷ Moreover, a 2001 report of the Texas Higher Education Coordinating Board's Transfer Issues Advisory Committee had two key findings: first, that transfer in Texas is quite efficient, with many students losing zero or only a few semester credit hours in the process; and second, that community college students who complete at least 30 semester credit hours prior to transferring to a university tend to perform comparably with students who began at the same university.⁸⁸

A list of initiatives, at the state and local levels that enhance the ease with which Texas students may enroll in public higher education and later transfer from one public college or university to another, are grouped into three categories:⁸⁹

- *Statewide initiatives* apply to all public colleges and universities. Some, like the core curriculum, were instituted by the Texas Legislature.
- *Localized initiatives* often exist between two institutions or within a particular region. The number and variety of these varies greatly.
- *Secondary to postsecondary transfer initiatives* include multiple ways for students to earn college credit while in high school that may later apply to an associate's or bachelor's degree program. Several of these are outlined in state or federal law.

Small Colleges Funding Floor:

The state's appropriation to community colleges is based on the number of contact hours each institution produces during the base year (for the upcoming session: Summer 2004, Fall 2004, and Spring 2005).⁹⁰ The small college funding floor provides a minimum state appropriation for the two or three colleges in the state that do not generate enough contact hours to provide basic instructional support. Since the 72nd legislative session (see chart below), a minimum state appropriation has been made to keep these small, rural colleges viable.

Summary of Community College Funding Floor⁹¹

<u>Legislature/Biennium</u>	<u>Biennial Amount</u>	<u>Colleges Receiving Floor Appropriation</u>
78th: FY 2004, FY 2005	\$4,184,374	Clarendon, Ranger
77th: FY 2002, FY 2003	\$4,636,750	Clarendon, Ranger
76th: FY 2000, FY 2001	\$4,250,000	Clarendon, Ranger
75th: FY 1998, FY 1999	\$4,050,000	Clarendon, Frank Phillips, Ranger
74th: FY 1996, FY 1997	\$4,000,000	Clarendon, Frank Phillips, Ranger
73rd: FY 1994, FY 1995	\$4,000,000	Clarendon, Frank Phillips, Ranger
72nd: FY 1992, FY 1993	\$3,252,638	Clarendon, Ranger

Dual Credit:

Dual credit courses are college courses that also count toward high school requirements upon successful completion.

Most if not all community colleges have strong dual credit programs with their service area high schools. These are win/win programs for all concerned, but there are problems that limit their success. Low income students do not qualify for federal financial aid until they are out of high school so many students cannot afford the tuition, fees and books. Some school districts pay all or part

of the cost; some wealthier college districts waive the tuition and fees; and some provide scholarship assistance to the truly needy students. Currently, the state pays Average Daily Attendance (ADA) to the public schools and pays the formula rate to community colleges. Colleges can (and most do) charge for tuition, fees and books.

The State, by allowing tuition waivers to dual credit students, has created a climate of competition among colleges for these students which places larger urban and property-rich districts at an advantage over smaller, less populous and less wealthy districts. Also, it may work to the detriment of district taxpayers and regular students. Larger institutions may waive tuition for dual credit students and charge their students higher tuition and fees while smaller colleges may not have the enrollment to support higher charges. Taxpayers in those districts that waive tuition are subsidizing the out of district service area dual credit students as are the non dual credit regularly enrolled students who are paying higher tuition and fees.

By granting the right to waive tuition, the state seems to support a public policy in favor of dual credit and there are clearly some public policy advantages.

1. Dual credit college level courses make the last year of high school more challenging and productive—especially for students in those districts too small to have advanced placement classes. By definition, students are able to jump start their college program while finishing their high school studies which makes maximum use of their high school time and increases the likelihood that they can finish college in four years or less and enter the work force—a benefit to them, their parents and the state treasury.
2. Most of the dual credit courses are general education courses – history, English, government, economics, etc. that can be taught much more economically at community colleges than in senior colleges, thereby saving the state money and in some cases ease university schedule crowding. This is especially important since many, if not most, dual credit students enroll in a senior college rather than a community college upon graduation.
3. Since high school students do not qualify for federal financial aid programs, dual credit programs favor those families most able to pay the tuition, fees and book costs. Some colleges have a scholarship program for students who meet a means test, but the cost remains a deterrent to many students, especially minority students, from considering dual

credit. A tuition free dual credit would facilitate the state's "Closing the Gap" efforts.

4. The legislature has also recently granted state universities and technical colleges the same right to waive dual credit tuition as the two-year colleges. For the four-year institutions funding system, this waiver does not result in an actual loss of revenue as it does in the community colleges, and thus may create an un-level playing field. In some parts of the state, this is being used by Texas State Technical Colleges to the detriment of the local community colleges.

STARLINK and Virtual Colleges of Texas:

STARLINK connects all of the community and technical colleges in the state through its statewide satellite and internet based network. In FY 2004, STARLINK produced and distributed 43 hours of professional development programming to benefit higher education, state agencies, and other public entities. Programming included 9 faculty development teleconferences, 5 teleconferences for the Texas Higher Education Coordinating Board, and a distance learning nursing re-entry course. The facilities and offices of STARLINK are located at the LeCroy Center of the Dallas County Community College District.

The Virtual College of Texas (VCT) is a consortium of accredited, public Texas community and technical colleges. The mission of VCT is to provide distance learning access to all Texans wherever they may live, regardless of geographic, distance, or time constraints. VCT maximizes student access with its seamless model of delivering distance education. Students enroll at a local college, and are able to take courses provided by other colleges throughout Texas while still receiving support services from the local institution. Over 8,000 students enrolled in VCT courses during the 2003-04 academic year. The 78th Legislature provided additional funding to VCT to expand online degrees and certificates. As a result, VCT distributed 11 grants totaling \$560,000 to 10 two-year institutions and their collaborating partners to develop degrees and certificates such as medical lab technician, process technology, alternative teacher certificate, mental health-substance abuse prevention, child development and others. VCT is hosted by the Austin Community College District.

TEXAS Grant Program:

In 1999, the 76th Legislature established the TEXAS Grant Program to provide a grant of money to enable well-prepared eligible students to attend institutions of higher education in Texas.⁹²

When the TEXAS Grant Program was first authorized, it made two promises to students with financial need in Texas:⁹³

- prepare for college while in high school and the state will pay for your tuition and fees as a freshman in college; and
- meet program academic standards while in college and the state will continue to pay tuition and fees for up to 150 hours, six years, or until you acquire your bachelor's degree, whichever occurs first.

As funding for the program grew rapidly in Fiscal Years 2002 and 2003, the TEXAS Grant program fulfilled both of those promises. Studies indicate that students and parents came to recognize the program's name and took steps to be able to qualify for the assistance if promised. However, funding was held level for the 2004-2005 biennium. In Fiscal Year 2003, the program had \$85 million for entering students after its commitment to continuing students was fulfilled. In Fiscal Year 2004, it had only \$25 million for new students. As a result, efforts to maintain successful students while they acquire their degrees are depleting the program's ability to provide awards to students graduating from high school.⁹⁴

While the TEXAS Grant program has been a positive step, it is deeply flawed in that it is inconsistent with the goals of the *Closing the Gaps* initiative.

TEXAS Grant II Program:

The purpose of Texas Grant II is to provide financial aid to eligible students in Texas public two-year colleges.⁹⁵ For the current 2004-05 biennium, \$9.7 million was appropriated. This serves about 2,000 community college students, or less than 1% of their enrollment. Demographics suggest that about 50% of the students in these institutions would meet the requirements of the TEXAS Grant II Program.⁹⁶

Texas Grant II eligibility requirements are easier to administer and better fit the mix of students at community colleges.⁹⁷ Since community colleges currently receive only about 10% of funds allocated to Texas Grant⁹⁸ (total funding of \$324 million for 2004-05 biennium, or about \$32 million for community colleges), additional funding to TEXAS Grant II would be an important step in *Closing the Gaps*, since a majority of new students enrolling in college before 2015 are expected to begin their education at two-year institutions.⁹⁹

Texas B-On-Time Student Loan Program:

Like the TEXAS Grant Program¹⁰⁰, the Texas B-On-Time Loan Program¹⁰¹ is also targeted toward students who recently graduated from high school having

completed the recommended or higher curriculum. The program provides zero interest loans to such students if they meet other program requirements.¹⁰² It also forgives those loans if the student graduates from college with an associate's degree or bachelor's degree on time with at least a 3.0 overall grade point average.¹⁰³

House Bill 3015, Tuition Deregulation, requires all universities charging more than the \$46 per semester credit hour for designated tuition to set-aside a minimum of 20 percent for financial aid, and at least five percent of the 20 percent set-aside must be used fund the B-On-Time program.¹⁰⁴

All Sources of Financial Aid:

The Joint Interim Committee on Higher Education requested pie charts for each general academic institution showing all sources of financial aid including grants, loans, scholarships, gifts, and work study from federal, state, and private sources. (See Appendix C)

For each institution, the first pie chart gives an overall picture of financial aid in three categories (gift aid, loans, and workstudy), and the other three pie charts provide the breakdown for each of those three categories.

All charts are based on information from the Coordinating Board's 2003 Financial Aid Database and include information regarding private sources only to the extent that such aid is received by students also receiving need-based aid. Other sources of private aid generally do not go through the institutions' financial aid offices and data therefore cannot be collected.

Cost of Attendance vs. Financial Aid Available:

On March 11 2004, the Joint Interim Committee on Higher Education requested charts that describe the cost of attendance vs. financial aid available. (See Appendix D)

The charts, submitted by the Coordinating Board show the cost of education and financial aid available at each Texas public university.

INTERIM CHARGE THREE

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with:

Examine the effects of student and community characteristics on the costs of higher education including income and educational levels of the families of students, unemployment rates, population growth, and other uncontrollable factors.

Changes in the State of Texas are occurring and will continue at an exponential rate. Texans must be trained for vocations and professions and educated in the cultural and social forces shaping their lives. The public higher education system of Texas should provide a setting dedicated to nurturing collective excellence and individual achievement.

Texas has traditionally prospered through the hard work of its citizens and the development of its bountiful natural resources. But future prosperity will depend more extensively upon economic diversification and the cultivation of human resources through education.

State Demographics:

The 2000 Census revealed a Texas population that had increased even more rapidly in number and in diversity than anticipated and a state that showed rapid levels of economic expansion in many areas. At the same time, many public programs such as welfare and access to higher education and financial aid have been dramatically changed.

The magnitude of, and projected developments, in four major demographic trends have impacted and will continue to impact numerous aspects of Texas society and are critical for understanding the future. The four major demographic trends are:¹⁰⁵

- Changes in the rates and sources of population growth;
- The aging and age structure of the populations;
- Growth in the non-Anglo population; and
- The changing composition of Texas households.

Population Change:

The demographic history of Texas has been one of growth. Texas' population has increased more rapidly (in percentage terms) than the population of the nation in every decade since Texas became a state. The 1990s were notable in several regards, however, with the State's population growing to 20,851,820 by 2000, an increase of 22.8 percent since 1990.¹⁰⁶ This increase of 3,865,310 persons was the largest of any decade in Texas history and moved Texas past New York to become the nation's second largest state.¹⁰⁷ [Texas' population increase was only second to that in California (California increased by 4.1 million persons in the 1990s) and the eighth largest in percentage terms among all states.]¹⁰⁸

Growth in the 1990s came nearly equally from the two components of population growth, with 49.7 percent due to natural increase (the difference between the number of births and deaths) and 50.3 percent due to net migration (which can be immigration from nations outside the United States or immigration from other states).¹⁰⁹ Because natural increase rates change relatively slowly, and their response to economic change is less immediate than that for migration, Texas has a natural impetus to growth that is likely to lead to substantial future population increase in the State under a variety of economic conditions.

The growth in the population of Texas was also pervasive. All 24 of the Texas council of government (COG) regions experienced population growth, as did all 27 of its metropolitan statistical areas, 186 (73.2 percent) of its counties, and 945 (74.0 percent) of its places (i.e., towns and cities).¹¹⁰ The three parts of Texas which showed the highest levels of population growth included areas along the Texas-Mexico border, areas in the central corridor of Texas from Dallas-Fort Worth through San Antonio, and the Houston-Galveston area.¹¹¹ The slowest rates of growth were in the Panhandle, West Texas, and Beaumont-Port Arthur areas. Rural areas continued to show reduced levels of growth.¹¹² By 2000, non-metropolitan counties accounted for only 15.2 percent of the total population of the State (and received only 8.8 percent of the State's population increase in the 1990s), while metropolitan counties accounted for 84.8 percent of the population (and received 91.2 percent of the population increase).¹¹³ Metropolitan central city counties accounted for 67.1 percent of the total population (and received 61.5 percent of the population growth from 1990 to 2000) while suburban counties accounted for 17.7 percent of the population in 2000 (and received 29.7 percent of the 1990-2000 population increase).¹¹⁴

Age Structure of the Texas Population:

Two aspects of the age structure of the Texas population are critical to understanding the impacts of population change. First, as with the rest of the United States, the Texas population is aging as a result of increased longevity and the aging baby-boom generation. The Texas median age was 18.7 years in 1990 but was 32.3 years in 2000.¹¹⁵ Although still younger than the population in the nation as a whole (which had a median age of 35.3 years in 2000), the Texas population is likely to continue to age in a manner similar to that in the nation as a whole and to have nearly one-in-five persons who are 65 years of age or older by 2040 compared to fewer than one-in-ten in 2000.¹¹⁶ Services and conditions impacting older persons will become of increasing relevance to Texas and the rest of the nation in the coming decades.

A second characteristic of the age structure in Texas is the clear relationship between youth status and non-Anglo status. For example, the median age for Anglos in 2000 was 38.0 years but for African Americans it was 29.6 years, for Hispanics 25.5 years, and for the Other population 31.1 years.¹¹⁷ The differences in age structure are especially obvious when data for specific age groups are examined. For example, among the population 65 years of age or older, 73 percent is Anglo and 17 percent is Hispanic. While for the group that is less than five years of age, 40 percent is Anglo and 44 percent is Hispanic.¹¹⁸ Sixty percent of the population of Texas less than five years of age and 57 percent of the total population less than 18 years of age are non-Anglo.¹¹⁹ Clearly, issues related to older persons are more likely to affect Anglo populations and those related to children affect non-Anglo populations. Issues related to race/ethnicity and age may become increasingly interrelated.

Projected Patterns:

Substantial population increases are projected for Texas under a variety of alternative projection scenarios (See Appendix E. Exhibit E-1 and Exhibit E-2.) By 2010 the population is projected to be between 24.2 million and 25.9 million and by 2040 between 35.0 million and 50.6 million. Even under a low-growth scenario, the population of Texas would increase by more than 4.7 million persons from 2000 to 2040. Increases under a modest-growth scenario would add nearly 14.2 million, and under the high-growth scenario the increase would be more than 29.7 million.¹²⁰

Growth in the non-Anglo population:

Projections show more extensive percentage rates of growth in non-Anglo than in Anglo populations from 2000 to 2040.

As a result, the proportion of the total population composed of non-Anglos also increases substantially (See Appendix E Exhibit E-3 and Exhibit E-4). Under a high-growth scenario, the State's population in 2040 would be 24.2 percent Anglo, 7.9 percent African American, 59.1 percent Hispanic, and 8.8 percent members of the Other racial/ethnic group. By 2005 under a high-growth scenario, and by 2006 under a modest growth scenario, Texas population will be less than one-half Anglo. The Hispanic population is projected to become a majority of the State's population by 2026 under the high-growth scenario and by 2035 under the modest-growth scenario. Under the high-growth scenario, of the net increase in the population between 2000 and 2040, only 3.9 percent would be due to the Anglo population--meaning that more than 96 percent of the net additions to Texas population between 2000 and 2040 would be non-Anglo.¹²¹

Changing composition of Texas households:

The number of Texas households has increased rapidly as a result of population growth and the large numbers of the baby-boomers who have entered household-formation ages. The number of households increased by 43.7 percent in the 1970s, 23.0 percent during the 1980s, and 21.8 percent in the 1990s, and as a result, the State had 7,393,353 households by 2000.¹²²

Households have become smaller in size. The average Texas household has decreased by one person since 1940, from roughly 3.7 persons in 1940 to 2.7 persons in 2000, or by 36.5 percent.¹²³ This decline is important because fewer persons per household results in a larger number of households for a given size population, which in turn means growth in the number of consumer units.

The diversification of household forms has also been evident. The number of family households increased by 30.9, 18.1, and 20.8 percent in the 1970s, 1980s, and 1990s, respectively, while the number of non-family households increased by 100.5, 38.0, and 24.2 percent; the number of married-couple households increased by 16.1 percent in the 1990s but the percentage of married-couple households declined from 71.5 percent in 1970 to 54 percent in 2000.¹²⁴ The number of male householder households also increased in the 1990s by as much as 52.2 percent, while the number of female householder households grew by 33.6 percent.¹²⁵

Projected Patterns:

The rapid growth, racial/ethnic diversification, and the aging trends in the projected population are apparent in the projections of households as well. From 2000 to 2040 the number of Texas households is projected to increase by

nearly 6.2 million, from 7.4 million households in 2000 to 13.6 million households in 2040 under the modest-growth scenario and by nearly 12.0 million to 19.4 million households in 2040 under the high-growth scenario (See Appendix E Exhibit E-5)--- increases of 84.2 percent and 162.1 percent under the modest and high-growth scenarios, respectively (See Appendix E Exhibit E-6).

Population Change and Income in Texas:

In the 1990s, income levels increased in Texas faster than those in the nation and the State's poverty rate decreased more rapidly. In constant dollars, median household income in Texas increased by 13.9 percent compared to only 7.7 percent nationally and per capita income increased by 17.1 percent compared to 15.3 percent in the nation.¹²⁶ Poverty rates for persons fell by 14.9 percent in Texas compared to a decline of only 5.3 percent nationwide.¹²⁷ In Texas, 1999 median household and per capita income levels, however, remained lower than those in the nation--median household income in Texas in 1999 was \$39,927 compared to \$41,994 in the nation and per capita income in Texas was \$19,617 compared to \$21,587.¹²⁸ Poverty levels remained higher at 15.4 percent for Texas in 1999 compared 12.4 percent for the nation, but the differences between Texas and U.S. values decreased in the 1990s such that the Texas median household income was 95.1 percent of that in the U.S., Texas per capita income was 90.9 percent of that in the U.S., and the Texas poverty rate was 124.2 percent of that nationwide in 1999.¹²⁹

Despite the rapid growth of the 1990s, the disparities among groups in Texas remained large (See Appendix E Exhibit E-7). Although the percentage increases in income and declines in poverty rates were generally larger for Hispanics and African Americans than for Anglos from 1989 to 1999, large differences in absolute income and poverty levels remained, and in some cases increased. For example, median household incomes (in current dollars) for Anglos increased by 49.8 percent from 1989 to 1999 while for African Americans the increase was 64.0 percent, and for Hispanics it was 55.3 percent. As a result, African American and Hispanic median household incomes increased as a proportion of Anglo incomes (from 56.8 percent in 1989 to 62.1 percent in 1999 for African Americans and from 61.1 percent to 63.3 percent for Hispanics). The Anglo-Black absolute difference in median household income, however, was \$13,602 in 1989 but was \$17,857 in 1999 and the Anglo-Hispanic differences were \$12,242 in 1989 and \$17,289 in 1999.¹³⁰

Projected Patterns:

If 2000 differentials among age and race/ethnicity groups were to prevail, the total aggregate income would increase by 130.5 percent under the high-growth scenario and by 67.1 percent under the modest-growth scenario, compared to the 162.1 and 84.2 percent respective increases in the number of households, resulting in a decline in the overall level of per-household income in the State. The average income for all Texas households would decline by more than \$6,500 from 2000 to 2040 (in 2000 constant dollars) under the high-growth scenario and by \$5,061 under the modest-growth scenario (See Appendix E Exhibit E-8 and E-9).¹³¹

The distributions of households by income level will also show a general shift toward lower income categories. For example, under the high-growth scenario, the percentage of households with incomes below \$25,000 would increase from 30.7 percent in 2000 to 38 percent in 2040 (in 2000 constant dollars), while the percentage with incomes of \$100,000 or more would decrease from 11.5 percent to 8 percent (See Appendix E Exhibit E-10 and E-11).¹³²

Poverty rates would increase by 4.0 percent for families if the demographic trends projected under the high-growth scenario were to occur. Overall, if 2000 socioeconomic differentials do not change and if the population does change as projected, Texas will be poorer in the future.¹³³

If Texas could close the gap among racial/ethnic groups, the socioeconomic implications could be dramatic. A simulation assuming that 1990-2000 increases in relative income between Anglos and African-Americans and Anglos and Hispanics continued to 2040 suggests that, under the high-growth scenario, total aggregate income by 2040 would increase by \$93 billion and average household income would decline by only \$1,782 rather than by the more than \$6,500 projected to occur if 2000 differentials continue. Under a simulation assuming that African-Americans and Hispanics come to have Anglo levels of income and that household growth is at a level of the high-growth scenario, aggregate income in Texas would increase by \$295 billion and average household income would be \$63,116 rather than the \$54,441 that it was in 2000 or the \$47,883 that is projected to be in 2040 under the assumption of continuing 2000 differentials (See Appendix E Exhibit E-12). Changing the socioeconomic differentials existing in Texas society is of clear significance for changing the economic future of the State.¹³⁴

Higher Education Enrollment:

The number of Texas residents enrolled in Texas colleges and universities (at both the graduate and undergraduate levels) increased by 64.3 percent from 1980 to 2000 and public college enrollment stood at more than 835,000 in 2000. General revenue costs for educational programs at colleges and universities were more than \$2.6 billion in 2000.¹³⁵

Projected Patterns:

Due to the fast pace growth of enrollment in community colleges, the number of residents enrolled in universities was roughly 50,000 less than that in community colleges in 2000 (370,970 in universities and 421,078 in community colleges). Under the high-growth scenario, community college enrollment would be 848,867 in 2040 compared to 676,942 in public universities, a difference of nearly 172,000. (See Appendix E Exhibit E-13 and E-14).¹³⁶

In recent years, both community college and university enrollment have become more diverse, but diversity is even greater in community colleges. Under the high-growth scenario, 74.3 percent of community college students and 67.7 percent of those in public universities in 2040 would be non-Anglo, compared to 45.3 and 38.5 percent in 2000.¹³⁷ (See Appendix E Exhibit E-15).

Financial Assistance:

The number of college students requiring financial assistance will increase faster than total enrollment. Under the high-growth scenario, enrollment will increase by 101.6 percent in public community colleges and by 82.5 percent in public universities between 2000 and 2040, but the number of students with financial needs unmet by household resources will increase by 120.1 percent for community colleges and by 90.6 percent for public universities.¹³⁸

In the absence of changes in population patterns and/or relative socioeconomic resources, the growth in enrollment will increase¹³⁹:

- (1) the number of persons, and the associated costs, in specialized programs;
- (2) total public costs for education;
- (3) the number of students with unmet financial need; and
- (4) the total level of financial assistance required by students and to be provided by the State.

INTERIM CHARGE FOUR

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with the following:

Identify the number of classified and unclassified positions in the administration of each university system and examine each major function, service, or activity performed by university system offices, including:

- (1) Central administration;
- (2) academic affairs coordination and support;
- (3) general council and other legal services;
- (4) budgeting, accounting, and data reporting;
- (5) fiscal management;
- (6) facilities, planning and construction;
- (7) governmental relations;
- (8) audit services;
- (9) real estate management;
- (10) information technology services; and
- (11) aircraft operation and usage.

The Texas Higher Education Coordinating Board surveyed the six university systems and the Texas State Technical College System regarding the administrative expense for each system including amount and type of expense and a breakdown of expenses by Full-Time Employee and Full-Time Student Equivalent.

This analysis presents the administrative tasks and associated employees that receive direct state appropriations to the systems offices. The initial page provides a summary of the system expenditures, which is followed by a more detailed description that each system provided to the Texas Higher Education Coordinating Board.

The system-wide reports are an attempt to gather comprehensive data on the systems to assist in understanding the complexity and diversity in the systems and their component universities, each with individual missions of creating and

sustaining excellence in education, research and health-care in higher education in Texas. Comparative analysis of system administration costs highlights the differences in the various systems' operations. For example, the Texas State University System, which has six universities and three two-year institutions, has a very small central administration operation. In contrast, the University of Texas System and Texas A&M University System are highly centralized and provide not only the same basic functions, but a range of additional services for their individual campuses. However, significant differences between these two large systems make comparisons between them difficult. In particular, the University of Texas System has six Health-Related Institutions, while the Texas A&M System has one Health Science Center and various land grant research and service agencies. As a result, substantially different types of support are provided. The University of Texas System is unique also because it administers disbursements for the Public University Fund (PUF).

A narrative of the uniqueness of the system offices was included in the Texas Tech University System Report, which stated:

The value and worth, and effectiveness of a system administration cannot be ascertained without considering the administrative cost ratios at the component institutions. To truly evaluate the efficiency and necessity of a system administration, the totality of administrative costs should be considered, not just those attributable to the System offices alone. It must be remembered that all of the system offices in the state, while they share many common functions and traits, are different and unique to the particular circumstances of the component institutions they serve. Uniform, consistent comparisons are difficult to achieve. Each system office should be evaluated as to its value and contribution to not only the administrative efficiency of its components but also to the value-added enhancement to the core academic enterprise.

The following section was prepared by the
Texas Higher Education Coordinating Board.

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

FY 2003 System Administration Cost Full-Time Student Equivalent Basis & Full-Time System Employee Basis

System Components	FY 2003 Full-Time Student Equivalent (FTSE)	FY 2003 Appropriated Funds for System Administration	System Administration Cost per FTSE	Number of GR Appropriated System FTEs	System Administration Cost per System FTE	Total Number of System-wide Employees Funded by GR	System Administration Cost per System-wide FTEs
University of Texas System:		\$29,247,602	\$207	246	\$118,697	39,062	\$748
UT-Arlington	19,510						
UT-Austin	48,316						
UT-Brownsville	2,192						
UT-Dallas	10,786						
UT-El Paso	13,942						
UT-Pan American	12,853						
UT-Permian Basin	2,106						
UT-San Antonio	18,062						
UT-Tyler	3,326						
UT-Southwestern HSC - Dallas	1,911						
UT- HSC - San Antonio	2,680						
UT- HSC - Houston	3,112						
UTMB - Galveston	2,125						
UT MD Anderson	94						
University of Texas System Total FTSEs	140,897						
Texas A&M University System¹:		\$8,500,948	\$98	89	\$95,210	16,774	\$507
Texas A&M University	40,700						
Texas A&M University - Galveston	1,441						
Texas A&M University - Commerce	6,967						
Texas A&M University - Corpus Christi	6,786						
Texas A&M University - Kingsville	5,814						
Texas A&M University - International	3,075						
Texas A&M University - Texarkana	964						
Prairie View A&M University	6,844						
Tarleton State University	7,383						
West Texas A&M University	5,847						
Texas A&M University System Health Science Center	981						
Texas Cooperative Extension (A&M)							
Texas Agricultural Experiment Station A&M							
Veterinary Medical Diagnostic Lab., Tx (A&M)							
Texas Forest Service (A&M)							
Wildlife Damage Management Service							
Texas Engineering Experiment Station (A&M)							
Texas Engineering Extension Service (A&M)							
Texas Transportation Institute							
Texas A&M University System Total FTSEs	86,804						
University of Houston System:		\$3,036,341	\$68	72	\$42,311	4,804	\$632
University of Houston	29,607						
University of Houston - Clear Lake	5,316						
University of Houston - Downtown	7,680						
University of Houston - Victoria	1,577						
University of Houston System Total FTSEs	44,160						
Texas Tech University System:		\$9,686,272	\$343	143	\$67,611	4,861	\$1,393
Texas Tech University	25,604						
Texas Tech University Health Science Center	2,352						
Texas Tech University System Total FTSEs	28,256						
University of North Texas System²:		\$3,732,263	\$139	39	\$95,503	3,720	\$1,003
University of North Texas	25,613						
UNT Health Science Center at Fort Worth	1,034						
University of North Texas System Total FTSEs	26,847						
Texas State System:		\$1,558,373	\$28	12	\$126,935	5,490	\$284
Angelo State University	5,600						
Lamar University	8,322						
Lamar State Colleges ³	5,245						
Sam Houston State University	11,896						
Texas State University - San Marcos	22,271						
Sul Ross State University	1,794						
Sul Ross State University - Rio Grande	678						
Texas State University System Total FTSEs	55,806						
Texas State Technical Colleges:		\$3,497,945	\$329	30	\$116,238	1,393	\$2,511
TSTC - Harlingen	3,715						
TSTC - Marshall	632						
TSTC - Waco	4,551						
TSTC - West Texas	1,744						
Texas State Technical Colleges Total FTSEs	10,641						

Notes:

1. The Texas A&M System provides administrative support for the various service agencies, but their students are not funded through state appropriations. Therefore, no FTSEs are shown.
2. The UNT FTE has been adjusted from that provided in the SAO report to include appropriate FTE for individuals who perform UNT System tasks but who are paid 100% by UNT.
3. Lamar State Colleges include Lamar University Institute of Technology, Lamar State College at Orange, and Lamar State College at Port Arthur.

Response to Joint Interim Committee on Higher Education
Systems Work Group

Description of U. T. System Offices

July 2004

The University of Texas System is pleased to respond to the Joint Interim Committee on Higher Education Systems Work Group. The information contained in this submission is provided in response to Charge 4a and 4b of the Joint Interim Committee on Higher Education. This information should be read and interpreted in conjunction with materials previously provided to the Work Group via the Texas Higher Education Coordinating Board.

Background

The nine academic campuses and six health institutions within The University of Texas System educate one-third of all public university students in Texas and three-fourths of all Texas health professionals – a larger proportion, by far, than any other system in the state. In fall 2003, System institutions enrolled 177,956 students, including 167,770 at general academic universities and 10,186 at health science institutions. System-wide, there are 87,708 employees, including 8,902 academic faculty and 6,500 health campus physicians, residents and fellows.

The System-wide annual operating budget for FY 2004 is \$7.8 billion. For FY 2003, the System had \$1.45 billion in research expenditures (85 percent from federal or private funding sources) and \$1.14 billion in unsponsored charity care. In addition, the System has a six-year capital construction budget totaling \$4.6 billion. The System has more than \$24 billion in total assets, including more than \$14.8 billion in investments under management.

One of the biggest differences between the U. T. System and other Texas university systems is in the amount of health care delivery and health research conducted in the U. T. System. The six U. T. System health institutions account for about half of the System's employees, 64 percent of the System's total operating budget, and 65 percent of the annual research expenditures. Over 50 percent of the health institution employees are funded either wholly or partially by patient care revenue.

About U. T. System Administration

The U. T. System Administration supports its academic and health institutions in creating and sustaining excellence in education, research, and health care. The complexity and diversity of the U. T. institutions and their missions sometimes results in administrative needs not found in other systems.

Despite steady growth of the U. T. System due to increasing enrollment, patient care revenue, and federally funded research, the System Administration continues to reduce administrative costs. For example, the System Administration operating expenditures in FY 2003 were \$29.25 million. System-wide expenditures in FY 2003 were \$7.35 billion. This translates into 39 cents out of every \$100 spent are solely for administrative costs. In FY 2004, the budget for general administration was reduced by 5.7 percent as compared to FY 2003 budget – down to \$28.9 million. As a result of this reduction, administrative costs at the System Administration as a percentage of total expenditures are projected to decline to .37 percent; or for every \$100 spent, only 37 cents are spent on administration.

Because of economies of scale and other efficiencies, administrative costs system-wide are relatively low. The portion of the total budget of the System Administration and its component institutions devoted to administrative expenses is approximately eight percent. By our calculations, this administrative expense rate is slightly higher than in the Texas Tech University System and slightly lower than in the Texas A&M University System.

The 245.9 full-time equivalent (FTE) employees that work in the general administration functions of the System Administration at the end of FY 2003 oversee a wide range of centralized, cost-effective, and value-added services. They have direct oversight over the nine academic campuses and six health institutions, providing leadership in areas such as accountability, distance education, budgeting and financial reporting, auditing, compliance, development and real estate. General administration staff also respond to legislative requests and either complete or oversee preparation of numerous statutorily required reports. The existence of the general administration function allows System component institutions to participate in beneficial programs such as System-wide licensing of software and centralized issuance of debt. Since November 2002, the System Administration has operated under a flexible hiring freeze whereby no position may be filled or created without the express approval of the Chancellor. This policy has enabled us to reduce the FY 2004 budgeted general administration FTEs to 232.9 or 16.1 below the cap established by HB 1, 78th Legislature. Costs of these operations are funded by state appropriations, either general revenue or the Available University Fund.

Many of the services provided by the System Administration are self-supported. At the end of 2003, 232.5 FTE employees were employed in these units. Services include facilities planning and construction; Employee Group Insurance (EGI) and risk management services, medical and dental application services, and claims and bankruptcy collections. Facilities planning and construction staff are spread across the state overseeing all phases of campus construction projects from design and development, to construction, and to ribbon-cutting. These important functions are funded through user fees. The Employee Group Insurance Program provides health insurance and other related benefits for approximately 150,000 employees and dependents. The risk management area offers workers' compensation insurance, unemployment compensation insurance, property and casualty insurance, professional liability insurance for the System's physicians and similar programs. Both EGI and risk management programs are funded through premiums assessed to component institutions and employees. Other self-supporting activities are typically funded through user fees, interest/endowment income or other revenue generated by the operations themselves.

The U. T. System has special administrative duties related to the fiduciary responsibility of the Board of Regents for the Permanent University Fund and other endowments, the administration of bonds backed by the PUF, and the management of 2.1 million acres of University Lands in West Texas. The PUF provides benefits to the U. T. System and the Texas A&M University System. As allowed by the Article 7, Section 18 of the Texas Constitution, costs of administering the PUF are paid directly from PUF assets. Approximately 50 FTE employees work to oversee the surface and mineral interests related to University Lands and provide legal and audit support. Additionally, funds are paid to outside managers to administer the investments of the PUF.

Some services are funded through gift and other grant activities (i.e., endowments). In FY 2003, the U. T. System was awarded grants from both the Houston Endowment and the Meadows Foundation to develop a student readiness course for the 11th grade TAKS test along with related professional development courses for teachers. During FY 2004, the Texas Education Agency has awarded \$8.8 million of grants for the Reading First Technical Assistance Program to provide training

to teachers and to advance reading education in Texas public schools. When fully operational, this program will have approximately 70 employees deployed around the State providing assistance to local school districts.

The U. T. System has been called on by the Legislature to assist other universities and state agencies as well as its own institutions. For example, U. T. System administers the police training academy and the Texas Medical and Dental Schools Application Service for all Texas universities, as well as the Joint Admission Medical Program, created by the 77th Legislature to support and encourage highly qualified but economically disadvantaged students in preparing for and succeeding in medical school. The U. T. System Board of Regents (through the University of Texas Investment Management Co.) helps manage the investment of funds from the state's tobacco lawsuit settlement. All nine of the state's health institutions, as well as the Baylor College of Medicine, benefit from the System's management of these funds.

The U. T. System has prepared an accountability and institutional improvement report that presents the most comprehensive statistical portrait ever developed for Texas higher education institutions. The Accountability and Performance Report for 2003-04 (available for viewing at <http://www.utsystem.edu/cha/AcctRpt/2003/homepage.htm>) was designed as a guide to the public and policymakers on how well the system and its 15 campuses are carrying out their responsibilities, as well as an aid for administrators in planning. A good accountability system clearly defines an organization's mission, goals, priorities, initiatives, where it intends to add value, and lays out measures or indicators of progress toward those goals. Most simply, accountability means taking responsibility for and measuring the effectiveness of what you do. An effective accountability system makes it possible to answer these questions:

- Where do the U.T. System and its component institutions seek to excel?
- How does U.T. System intend to act strategically to accomplish its goals?
- How well are the System and component institutions doing to achieve their goals and add value; what needs to be done next?

For the FY 2005 fiscal year, the U. T. System has engaged external auditors to provide a full financial audit of its operations. Through this process, U.T. System is implementing the "spirit" of the *Sarbanes-Oxley Act* ("Act"). An external audit is the cornerstone of the Act. U.T. System is obtaining an external audit to demonstrate that it has a sound financial base and adequate resources to support the mission of the organization and the scope of its programs and services.

The U. T. System believes institutional compliance is an important stewardship function. The System Administration oversees a system-wide program to ensure compliance with all applicable laws, rules, regulations, policies and procedures at all U. T. institutions. By training our employees to do the right thing, conduct risk assessments, and monitor operational activities to reduce risk, our institutional compliance programs are dramatically improving the compliance culture throughout the U.T. System. Our objective is to establish compliance risk management as an integral part of the everyday activities of all U. T. employees.

Texas University Systems

The seven university systems are diverse in their missions and methods of operation. The U. T. System is unique in its heterogeneous mixture of institutions including nine general academic units and

six health-related institutions including four hospitals. The Texas A&M University System has nine general academic units, a health science center and numerous research agencies. Texas Tech University System and University of North Texas System each have one academic unit (with associated educational centers or system centers) and one health science center. The University of Houston System includes four general academic institutions. The Texas State University System has six general academic institutions and three two-year institutions and the Texas State Technical College System has an entirely different mission with four colleges and seven campuses.

Each university system has adapted its operations to meet its unique needs and circumstances. The U. T. System is the largest and most diverse in the State and has an operating budget of \$7.8 billion for FY 2004. The Texas A&M System is next in size with an operating budget of \$2.25 billion for FY 2004 (Source: TAMU System Board of Regents Minutes August 30, 2003). Both system administrative offices are highly centralized and have dedicated staff. Texas Tech has a similar staffing arrangement. The staffs of North Texas and Houston share responsibilities between the system and the primary university. The Texas State System is highly decentralized and most of the functions performed centrally at other systems are provided by individual Texas State component institutions. Each higher education system office has evolved to meet the needs of its institutions.

The model of funding for each system differs substantially. Receiving approximately \$1 million per year in general revenue support to manage a \$7.8 billion System, U. T. System Administration relies on the constitutionally provided Available University Fund to support the core administrative functions. Costs of core functions are not typically passed to component institutions in the form of charge-backs or assessments. Most of the other systems rely more extensively on charge-backs to their components to fund operations.

THECB Analysis of System Offices

Through a collaborative process, the Texas Higher Education Coordinating Board (THECB) has conducted a survey of the seven university systems and has provided a summary of system expenditures, including comparisons by full-time student equivalent (FTSE) and FTE employees. The final iteration of the comparison schedule computes total system administration cost per FTSE, per system administration FTE, and per system-wide FTE funded by GR (interpreted to mean all appropriated funds).

The primary missions of the U. T. System include education, research, public service and patient care. The ratios included by THECB primarily measure the first of these missions. Additional metrics that may help illustrate the other areas could include research expenditures per System FTE and indigent care provided. While no other system has hospitals, inpatient and outpatient admissions are, nevertheless, important benchmarks for the U. T. System.

What can be determined from the data is that the systems are different. Funding methodology differences such as certain component assessments being excluded from the numerator because they are not "appropriated" distort the results. Additionally, differences in operations such as Texas Tech System's centralization of police and development functions at the System level dramatically affect their ratios. Measures such as amounts per FTSE misrepresent costs for U. T. System since the medical components make up over 60 percent of the FY 2004 operating budget yet have only 7 percent of our FTSEs. U. T. Health Center at Tyler has no students yet still requires support from the central administration. Similarly, U. T. MD Anderson Cancer Center has only 94 students even though it is

the largest component of the U. T. System. A&M has a similar circumstance with its service agencies. Drawing comparisons without significant qualification of the underlying data can be misleading due to any one of these differences.

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 University System Administration Survey
 FY 2003 Employee FTEs by Activity Type and Method of Finance**

	<u>Administrative and Professional</u>	<u>Classified Employees</u>	<u>Total</u>
General Administration (funded by General Revenue and Available University Fund, appropriated by Legislature)	87.7799	158.1619	245.9418
Permanent University Fund Management (funded by a transfer from the PUF, allowed by Article 7, Section 18 of the Texas Constitution)	18.3300	31.7225	50.0525
Self-Supported Activities (funded by institutional funds including insurance premiums, charges for services, interest/endowment income, state contracts and component assessments)	74.6356	157.8563	232.4919
Gift and Grant Activities (funded by gifts, grants and endowment income)	1.0000	1.9521	2.9521
TOTAL - UT System Administration (State Auditor's Quarterly FTE Report for the 4th Quarter of FY 2003)	<u>181.7455</u>	<u>349.6928</u>	<u>531.4383</u>

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 University System Administration Survey
 Based on FY 2003 Annual Financial Report Data '1

Functional Area	Expenditures by Activity Type and Method of Finance					Actual 4th Quarter FY 2003 ETEE by Activity and Method of Finance				
	General Administration (GR/AUF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	FY 2003 Total Expenditures	General Administration (GR/AUF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	Total FTE Positions
1. Central Administration Office of the Board of Regents Office of the Chancellor Office of the Special Advisor to the Chancellor Office of the Executive Vice Chancellor for Business Affairs Vice Chancellor for Administration Office of HUB Development Presidential/System Executive Searches Miscellaneous	\$ 427,556 854,917 554,433 804,387 333,421 169,456 36,441	\$ - - - - - - -	\$ 489,090 8,400 18,109 24,264 9,569 171,455 30,812	\$ 48,201 634,924 - - - - 148	\$ 984,849 1,498,141 - 828,651 343,010 171,455 86,201	3,000 8,751 2,000 4,925 2,000 1,750 0,500	- - - - - - -	4,8770 - - - - - -	- - - - - - -	7,8770 8,8751 2,0000 4,9825 2,0000 1,7500 0,5000
2. Academic Affairs Coordination & Support Office of Academic Affairs Office of Educational System Alignment (K-16 initiatives) Distance Education/UT TeleCampus Faculty/Student Advisory Councils	1,247,307 414,173 2,906,459 31,744	- - - -	18,102 137,568 328,378 34,813	- 257,688 - -	1,285,409 809,439 3,232,835 66,557	8,400 2,7187 18,4281 -	- - - -	0,2417 3,5000 - -	1,9521 - - -	8,4000 4,9105 21,9281 -
3. General Counsel & Other Legal Services Office of General Counsel	3,286,306	516,116	1,120,122	-	4,934,544	34,9828	5,1900	18,3139	-	56,4887
4. Budgeting, Accounting, & Data Reporting Office of the Controller Business and Administrative Services	1,193,505 452,466	- -	2,813 488,795	- -	1,196,118 921,281	12,1158 8,4005	- -	- 5,7801	- -	12,1158 14,1808
5. Fiscal Management Office of Finance Permanent University Fund Management Expenses Long Term Fund Management Expenses	564,171 - -	- 15,253,692 -	25,048 - 3,135,100	- - -	589,217 16,253,692 3,135,100	6,0000 - -	- - -	0,4000 - -	- - -	6,0000 - -
6. Facilities and Construction Facilities, Planning, & Construction	-	-	11,374,988	-	11,374,988	-	-	120,1741	-	120,1741
7. Governmental Relations Vice Chancellor for Governmental Relations and Policy Office of Federal Relations Bill Archer Fellowship/Internship	1,172,562 908,661 -	- - -	30,837 25,272 -	32,240 3,127 66,878	1,235,639 937,290 66,878	11,9887 5,2428	- -	- -	- 1,0000	11,9887 5,2428 1,0000
8. Audit Services System Audit System-wide Compliance System Administration Compliance Office	603,097 281,840 209,720	216,549 - -	122,410 8,813 11,628	- - -	1,141,056 288,653 221,348	10,1088 2,9000 2,2500	3,4467 - -	- - -	- - -	13,5535 2,9000 2,2500
9. Real Estate Management Real Estate Office	653,133	-	2,752	-	655,885	7,0000	-	-	-	7,0000

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
University System Administration Survey
Based on FY 2003 Annual Financial Report Data 1

Functional Area	Expenditures by Activity Type and Method of Finance					Actual 4th Quarter FY 2003 Data by Activity and Method of Finance				
	General Administration (GR/AUF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	FY 2003 Total Expenditures	General Administration (GR/AUF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	Total FTE Positions
10. Information Technology Services										
Office of Information Technology	359,312	-	10,186	-	369,478	2,000	-	-	-	2,000
Office of Information Resources	1,790,276	-	4,827	-	1,795,103	22,1988	-	3,000	-	25,1988
Network Infrastructure	777,858	-	-	-	777,858	-	-	-	-	-
Systemwide Software Agreement	1,970,271	-	890,784	-	2,861,055	-	-	-	-	-
Network Bandwidth Revolving	-	-	459,360	-	459,360	-	-	-	-	-
Telecommunications Revolving	-	-	353,893	-	353,893	-	-	-	-	-
11. Aircraft Operation & Usage										
System Aircraft Operations	189,175	-	3,309	-	172,484	1,000	-	-	-	1,000
12. Health Affairs Coordination & Support										
Office of Health Affairs	1,522,130	-	52,862	-	1,574,992	9,4357	-	-	-	9,4357
Texas Medical and Dental Schools Application Service	-	-	404,437	-	404,437	-	-	7,7790	-	7,7790
Joint Admission Medical Program	-	-	2,182,544	-	2,182,544	-	-	1,6936	-	1,6936
Contracted Medical Services Revolving Account	-	-	184,447	-	184,447	-	-	-	-	-
13. Human Resources										
Office of Human Resources	866,833	-	28,358	-	912,189	10,2537	-	-	-	10,2537
Employee Advisory Council	15,701	-	2,000	-	17,701	-	-	-	-	-
14. Risk Management Administration										
Office of Risk Management	-	-	187,272	-	187,272	-	-	2,9600	-	2,9600
Employee Group Insurance Program	-	-	2,089,889	-	2,089,889	-	-	22,7441	-	22,7441
UT Flex Administration Cost	-	-	263,551	-	263,551	-	-	-	-	-
Environmental Health and Safety Office	-	-	412,347	15,799	428,146	-	-	5,0754	-	5,0754
Property and Casualty Insurance Program	-	-	475,146	-	475,146	-	-	2,7500	-	2,7500
Workers' Compensation Insurance Program Administration	-	-	2,091,204	-	2,091,204	-	-	29,5598	-	29,5598
Workers' Compensation Ins. Resource Allocation Program	-	-	214,258	-	214,258	-	-	-	-	-
Unemployment Compensation Insurance Program Admin.	-	-	330,423	-	330,423	-	-	3,9848	-	3,9848
Premiums and Self-Insurance Claims Activity	-	-	272,050,328	-	272,050,328	-	-	-	-	-
Medical/Dental Self-Insurance Program	-	-	140,377,277	-	140,377,277	-	-	-	-	-
Medical/Dental Fully Insured Programs	-	-	4,889,428	-	4,889,428	-	-	-	-	-
Vision Self-Insurance Program	-	-	15,548,884	-	15,548,884	-	-	-	-	-
Life and Personal Accident Insurance Program	-	-	13,479,227	-	13,479,227	-	-	-	-	-
Professional Liability Insurance Program	-	-	33,115,282	-	33,115,282	-	-	-	-	-
Comprehensive Property Protection Program	-	-	3,698,808	-	3,698,808	-	-	-	-	-
Rolling Owner Controlled Insurance Programs	-	-	6,745,108	-	6,745,108	-	-	-	-	-
Workers' Compensation Insurance Program	-	-	2,940,257	-	2,940,257	-	-	-	-	-
Unemployment Compensation Insurance	-	-	144,885	-	144,885	-	-	-	-	-
Directors and Officers/Employment Practices Liability Ins.	-	-	-	-	-	-	-	-	-	-
15. Development, External & Community Relations										
Development and External Relations	735,809	-	78,968	44,465	859,272	8,000	-	0,7842	-	8,7842
Community Relations	288,355	-	28,827	-	294,982	2,7500	-	-	-	2,7500
Public Affairs	598,100	-	21,017	-	609,117	5,0811	-	-	-	5,0811
Special Services/Beaer House	617,999	-	15,835	223,955	857,489	-	-	-	-	7,3028
Estates and Trusts	613,124	-	7,200	-	620,324	8,000	-	-	-	8,000

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 University System Administration Survey
 Based on FY 2003 Annual Financial Report Data ¹

Functional Area	Expenditures by Activity Type and Method of Finance				Actual 4th Quarter FY 2003 FTEs by Activity and Method of Finance					
	General Administration (GRA/AF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	FY 2003 Total Expenditures	General Administration (GRA/AF)	PUF Management (PUF)	Self-Supported Activities (Institutional Funds)	Gift and Grant Activities	Total FTE Positions
16. Security and Policing Office of the Director of Police	1,143,300	-	18,221	-	1,161,521	18,7921	-	1,2044	-	17,9965
17. University Lands West Texas Operations University Lands Accounting Office Land Utilization Projects	107,527	2,295,144	148,078	-	2,548,749	1,0000	23,0000	-	-	24,0000
	-	1,472,155	-	-	1,472,155	-	18,4158	-	-	18,4158
	-	437,222	317,159	-	754,381	-	-	-	-	-
18. Other System Office Operations/Repairs and Rehabilitation System-wide Memberships Contracted Services Miscellaneous	280,318	-	115,313	-	395,631	-	-	-	-	-
	25,782	-	11,000	-	36,782	-	-	-	-	-
	3,343	-	196,100	-	201,443	-	-	-	-	-
	83,800	-	94,946	42,920	221,666	1,0000	-	-	-	1,0000
TOTAL	\$ 29,247,802	\$ 20,190,078	\$ 522,204,953	\$ 1,390,385	\$ 873,033,018	245,9418	50,0525	232,4919	2,9521	531,4383
METHOD OF FINANCE (Institutional Funds)										
Insurance Premiums	\$ 498,938,515									
Charges for Services	13,378,278									
Interest/Endowment Income	4,981,759									
State Contract	2,182,544									
Component Institution Assessments	1,745,859									
TOTAL	\$ 522,204,953									

¹ Amounts reported are gross expenditure activity of U. T. System Administration including service department/revolving fund activity that would be eliminated for presentation in the annual financial report. The interdepartmental credit from Services elimination for System Administration was \$541,768,242. Centrally pooled staff benefits and other expenditures have been allocated to the appropriate departments. Operating expenditures per the annual financial report Schedule C-2 that were for capital outlay and would not appear as expenses on the Statement of Revenues, Expenses and Changes in Net Assets have been included in the above totals. Duplication of expenditures resulting from the inclusion of service department/revolving funds has not been eliminated. A one-time \$3.75 million contribution to a system-wide Director's and Officers/Employment Practices Liability self-insurance fund has been excluded from General Administration.

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

The Texas A&M University System Administrative and General Offices

Executive Summary

The Texas A&M University System is one of the larger systems of higher education in the nation. Its ten universities, seven state land-grant agencies, and a comprehensive health science center include about 100,000 degree credit students, another million plus direct service recipients, which are together served by approximately 25,000 faculty and staff.

The A&M System has developed incrementally over time, largely in response to the needs of its member institutions for additional services, and this process continues even now.

To a greater extent than any other system in Texas, the A&M System has developed and implemented a policy to consolidate at the system level the essential services and functions that will provide economies of scale efficiencies and value-added services to its members that would otherwise be too expensive to acquire and maintain by each member individually. For example, all the internal auditors and legal counsel of the A&M System are within the system's budget. On the other hand, in most if not all the other Texas systems, some of the internal auditors and attorneys are budgeted at the system office, and others are in the components' budgets.

Almost all the costs associated with these centralized services are assessed to and paid for by the A&M System Members from their own funds. The Board of Regents, in the exercise of due diligence to determine the efficiency value of these centralized system services, engaged *Accenture*, an independent, nationally recognized business consulting firm. After its study was conducted *Accenture* reported to the Board that the A&M System's cost cutting and on-going centralized services had saved its member institutions approximately **\$24.3 million in each** of the last 5 years, and that these were on-going. [Reference: *Value Targeting Initiative, Final Report, July 24, 2003*, pages 17 and 18.]

Total FY 2003 expenditures for the A&M System office totaled \$262.8 million. Of this amount, 98% or \$257.4 million was expended for centralized services and essential programs on behalf of all A&M System member institutions. The balance, \$5.4 million, was used to carry out the functions most often regarded as the principal functions of a university system office: the governance and executive leadership functions. The FY 2003 expense breakdown is summarized below:

1. \$5.4 million relates to the **governance and leadership functions** of the A&M System. (Funding for these functions is provided from both appropriated and non-appropriated funds.)
2. \$20.3 million relates to the cost of providing **centralized services** on behalf of, and paid for (with the exception of a small amount) by, A&M System member institutions. (A small portion of these services are funded with appropriated funds.)
3. \$233.3 million relates to **pass-through activities** which include:
 - the debt program for the A&M System (\$136.4 million) which, in part (\$33.9 million), is funded through the biennial appropriation of the legislature via tuition revenue bond (TRB) appropriations;
 - the A&M System group health/dental program (\$93.4 million) funded from employee and employer premiums which is operated for the benefit of our employees (note: these group benefits are analogous to those provided through the ERS for other institutions of higher education);
 - the A&M System workers' compensation insurance program (\$1.4 million) funded from employer assessments which is operated for the benefit of our employees; and
 - the A&M System property insurance program (\$2.1 million) funded from employer assessments and operated for the benefit of our member institutions.
4. \$3.8 million relates to external, competitively earned **contracts and grants** which are **administered** by the System office; these grants relate primarily to the system's Partnerships in Public Education Initiative.

TOTAL - \$262.8 million

The following sections provide a brief description of the principal administrative and service functions of the A&M System Office:

GOVERNANCE & LEADERSHIP FUNCTIONS

CENTRAL ADMINISTRATION

The governance office of the A&M System Board of Regents is budgeted within the central administration area and these governance activities provide the basic framework for all other SAGO activities. The executive offices of SAGO (Chancellor and executive team) provide the leadership, strategic directioning, and fiduciary management and oversight for the entire A&M System. As with any leadership team, an essential responsibility of the A&M System central administration is to ensure that all members' strategic objections and operations are in compliance with existing laws and regulations, and that each entity is accountable to the executive management, the Board of Regents, and the citizens of the State of Texas.

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ACADEMIC AFFAIRS COORDINATION AND SUPPORT

The Office of Academic and Student Affairs provides leadership, guidance, planning and coordination to member universities, health science center, and agencies on issues relating to academic programs, new program development and future academic planning, as well as faculty and student issues. The office represents the A&M System before the Texas Higher Education Coordination Board.

COMPLIANCE/HUB OFFICE/POLICY IMPLEMENTATION

This functional area is responsible for policy compliance oversight across the A&M System, policy development and implementation assistance, and the coordination and facilitation of an expanding HUB program.

CENTRALIZED SERVICES

GENERAL COUNSEL AND OTHER LEGAL SERVICES

With all legal staff operating from a single, cohesive unit within the System Office organization, the Office of General Counsel provides legal advice, counsel, and representation to all members of the A&M System. Each member is assigned a liaison attorney for day to day requirements; however, each attorney is also assigned a number of subject matter specialty issues for which they are responsible. As necessary, the liaison attorneys seek out expertise from other attorneys on any specific subject matter issues as they arise. With this type of organizational style, each member has direct access to a specific counsel but, at the same time, also has the benefit of a vast array of legal expertise throughout this organizational unit.

BUDGETING, ACCOUNTING, AND DATA REPORTING

This office is responsible for financial accounting and reporting oversight; coordination of financial, tax, and fiscal activities throughout the A&M System; direction of activities and functions related to appropriation requests and operating budgets; development and implementation of a management information reporting system; and the preparation and oversight of the short and long-form facilities and administrative rate (indirect cost) calculations for the A&M System members. This office works hand-in-hand with the information technology area and provides guidance and direction to our members to ensure consistency in data reporting through our system-wide administrative applications (i.e. payroll and accounting).

FISCAL MANAGEMENT

The office provides centralized financial services to the Members of The Texas A&M University System through efficient cash, debt, and investment management and assists in each Member's long-term capital planning.

FACILITIES AND CONSTRUCTION

The Office of Facilities Planning and Construction is responsible for executing the program to plan, design, and construct facilities of the highest quality in support of the teaching, research, and service mission of the A&M System. In FY 2003, expenses associated with these functional activities totaled over \$98 million which reflected projects initiated on behalf of the members of the A&M System.

GOVERNMENTAL RELATIONS

The governmental relations office is the key point of contact between the A&M System and its member institutions and agencies and the Texas Legislature, the Office of the Governor, and other executive branch and legislative agencies. This office monitors issues and legislation affecting higher education and coordinates the efforts of the A&M System and its members in preparing responses to legislative and gubernatorial requests.

The Office of Research and Federal Relations coordinates the A&M System's efforts at the federal level – working with the Texas senators and congressional delegation and key federal agencies. Particular effort is focused on identifying additional research opportunities for our institutions and agencies and working to bring the research to Texas.

AUDIT SERVICES

The Texas A&M System Internal Audit Department is the sole provider of internal audit services (including investigative audit services) for the A&M System and its member institutions and agencies. The Department reports to the A&M System Board of Regents enabling it to provide value-added auditing services using an independent, system-wide risk based approach. This Department satisfies the A&M System's requirements related to the State's Internal Auditing Act.

REAL ESTATE MANAGEMENT

All real estate transactions, with the exception of campus leases and leases handled by the General Services Commission, are consolidated in System Real Estate Office (SREO). The SREO is responsible for:

- Sales, Exchanges, Purchases, Gifts, and Condemnations
- Agricultural Lease Negotiation and Administration
- Oil and Gas Lease Negotiation and Administration
- Environmental Site Assessments
- Valuation / Market Studies
- Inventory Accountability

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

INFORMATION TECHNOLOGY SERVICES

This functional area is responsible for the daily operation and maintenance of the centralized accounting system (Financial Accounting and Management Information System - FAMIS) which is used by all but 3 members, the centralized payroll system (Budget/Payroll/Personnel System - BPP) which is utilized by all members of the A&M System, and other administrative applications which are available for use by all members. The A&M System is fairly unique in its ability to offer these administrative systems which were developed and are currently maintained by SAGO staff. FAMIS includes 9 different modules (i.e. annual financial reporting, budget, sponsored projects, fixed assets) and processes in excess of 7.9 million transactions per fiscal year via approximately 3,300 on-line users throughout the state. The budget and annual financial reporting modules are used by all members. The BPP System is a centrally administered computer system which provides standardized reporting, simplification of employee record keeping, and simplification of tax reporting. This system processes over 900,000 payroll transactions per year, provides service for 350 on-line users located throughout the state, and produces over 51,500 tax forms for employees.

AIRCRAFT OPERATIONS AND USAGE

Operated as a service department, this functional area is responsible for the operation and maintenance of two System aircraft for the benefit of all System members.

RISK MANAGEMENT ADMINISTRATION

The Risk Management and Safety Office is responsible for administration of the System's self-insured workers' compensation program; development and administration of a System-wide environmental health and safety program; and management of designated financial exposures, utilizing various risk avoidance and transfer techniques as appropriate.

HUMAN RESOURCES ADMINISTRATION/EQUAL EMPLOYMENT OPPORTUNITY

The A&M System Human Resources (HR) office provides leadership and quality service in all areas of HR for its internal and external constituencies. This includes, but is not limited to, group insurance benefits, communications and training, compensation administration, retirement programs, and HR policy development and interpretation for all members.

OTHER

CONTRACT AND GRANT ADMINISTRATION

Contract and grant administration (\$3.8 million) associated with the Partnerships in Public Education Initiative which includes funding partnerships from across the state and nation.

OTHER ORGANIZATIONAL OPERATIONS

This category includes the maintenance and operations of the building housing the A&M System Offices as well as some employee training and assistance programs offered system-wide.

While the main focus of the system office's operation is directed to providing leadership and service to our member institutions, we are also charged with maintaining our own organizational independence. Since the A&M System's organizational structure includes many centralized business activities for our own members, SAGO maintains its own organizational structure by operating a business, budget, and payroll office function, handling human resource requirements for our own employees, overseeing cash and risk management activities, and maintaining our information technology systems.

Over the past years, several different Boards of Regents and Chancellors have led the expansion of the system. New member institutions were added by the legislature: Texas A&M-Commerce, Texas A&M-Texarkana and the Baylor College of Dentistry in the 1995 Session. In addition, the 78th Legislature passed SB 800, which authorizes Texas A&M-San Antonio and Texas A&M-Central Texas, subject to certain conditions. When deemed strategic and efficient, the board has directed the addition of certain functions at the system level; e.g. internal audit and federal relations. As indicated above, the A&M System is a dynamic, not static system.

THE TEXAS A&M UNIVERSITY SYSTEM
 Administrative & General Offices
 University System Administration Survey

Functional Area	FY 2003 Actual Expense	METHOD OF FINANCE				FY 2004 FTE Budgeted Positions (including vacant positions)		
		General Administration (GR/AUF/SMF)	Self-Supported Activities (Institutional Funds)	Contract and Grant Activities	System-wide Debt Service	Admin./Prof.	Support	Total
1. Central Administration Office of the Board of Regents Office of the Chancellor Deputy Chancellor Vice Chancellor for Administration Vice Chancellor for Business Services Office of Communications Executive Travel	583,733 956,044 567,733 303,366 360,164 378,934 302,859	490,010 537,296 565,406 299,399 358,659 353,817 278,562	93,724 418,749 2,328 3,967 1,505 25,117 24,298			2.00 1.00 2.00 1.00 1.00 3.00 n/a	3.50 5.00 2.00 1.00 1.00 0.00 n/a	5.50 6.00 4.00 2.00 2.00 3.00 n/a
2. Academic Affairs Coordination & Support Vice Chancellor for Academic & Student Affairs System-wide Initiatives	627,806 641,264	622,561 432,331	5,245 208,933					6.00 n/a
3. General Counsel & Other Legal Services General Counsel	2,331,711	2,037,671	294,040					30.50
4. Budgeting, Accounting, & Data Reporting Office of Budgets & Accounting	1,599,711		1,599,711					26.00
5. Fiscal Management Treasury Services Administration System-wide Debt Service/Investment Program	497,749 136,364,221		497,749					6.00 n/a
6. Facilities and Construction Facilities, Planning, & Construction System-wide Construction Program - \$08,327,820 (these costs are capitalized and not shown as expenses)	4,651,190		4,651,190					65.60
7. Governmental Relations Vice Chancellor for Governmental Relations (State) Vice Chancellor for Research & Federal Relations	950,884 273,731	914,464 272,309	36,420 1,422					10.25
8. Audit Services System Internal Audit	2,620,981		2,620,981					35.50
9. Real Estate Management System Real Estate	386,108		386,108					4.50
10. Information Technology Services System-wide Payroll Services System-wide Financial Accounting Mgmt. Info. System Microcomputer & Network Services Trans TX Video Network	1,492,089 1,428,603 302,363 147,309	134,795 302,363 147,309	1,492,089 1,293,808					12.27 20.38 4.10 n/a
11. Aircraft Operation & Usage System Aircraft Operations	812,394	20,902	791,492					6.00

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THE TEXAS A&M UNIVERSITY SYSTEM
Administrative & General Offices
University System Administration Survey

Functional Area	FY 2003 Actual Expense	METHOD OF FINANCE				FY 2004	
		General Administration (GR/AUF/SMF)	Self-Supported Activities (Institutional Funds)	Contract and Grant Activities	System-wide Debt Service	FTE Budgeted Positions (including vacant positions)	Total
12. Risk Management Administration	986,048		986,048			17:20	
Self-insured claims activity:							
Workers' Compensation Insurance	1,443,716		1,443,716			n/a	
Property Insurance	2,129,687		2,129,687			n/a	
Unemployment Compensation Insurance	10,730		10,730			n/a	
13. Human Resources Admin./Equal Employment Opportunity	1,600,157	109,756	1,490,401			23:00	
Self-insured claims activity:							
Health/Dental Employee Insurance	93,369,883		93,369,883			n/a	
14. Compliance/HUB Office/Policy Implementation	324,299	323,881	419			5:00	
15. Contract and Grant Administration	3,811,698			3,811,698		35:08	
16. Other Organizational Operations							
Building Maintenance & Operations	376,587			77,127		2:00	
System-wide Employee Development Activities	150,166	299,461		150,166		n/a	
TOTAL¹	262,783,917	8,500,948	114,107,050	3,811,698		332:48	
METHOD OF FINANCE							
General Revenue	615,150						
General Revenue - debt service (TRB/HEAF)	33,894,836						
Available University Fund	5,897,542						
Available University Fund - debt service (PUF)	41,193,037						
Special Mineral Fund	1,988,256						
Special Mineral Fund - debt service	334,290						
Contracts and Grants	3,811,698						
Institutional Funds:							
Member Service Activities Assessments and Interest	16,849,989						
Fee Based Activities	150,166						
Gift Funds	152,879						
Self-insured Health/Dental Employer & Employee Premiums	93,369,883						
Self-insured Workers' Compensation Insurance Employer Assessments	1,454,446						
Self-insured Property Insurance Employer Assessments	2,129,687						
Sub-total (excluding debt service)	114,107,050						
Debt Service/Investment Activities	60,942,059						
TOTAL¹	262,783,917						

1. Does not include departments or positions that were eliminated in FY 2003 as part of a reduction in force.

TEXAS TECH UNIVERSITY SYSTEM

I. OVERVIEW

The Texas Tech University System (TTUS) is composed of the following components: the Texas Tech University System Administration (TTUSA); Texas Tech University (TTU); and Texas Tech University Health Sciences Center (TTUHSC). TTU's primary campus is in Lubbock and also has educational centers in Abilene, Amarillo, Fredericksburg, Junction and Marble Falls. The TTUHSC's primary campus is also in Lubbock, with regional campuses in Amarillo, El Paso, Odessa, Midland and Dallas.

The TTUSA has a direct legislative appropriation of \$436,368 for FY 2004. The majority of TTUSA's budget is provided through charges for services to the TTU and TTUHSC budgets.

II. INSTITUTIONAL ORGANIZATION

The Texas Tech University System Board of Regents is the governing board of the Texas Tech System. The board reviews major issues and establishes policy for the System and its components.

TTUSA is the executive arm of the System. The Chancellor serves as the Chief Executive Officer for the Texas Tech University System. TTUSA includes the shared services areas of: General Counsel, Governmental Relations, Institutional Advancement, Facilities Planning and Construction, the Chief Financial Office, Marketing & Communications, Community Relations, Audit Services, and Police Services.

In addition to services common to most or all other systems, TTUSA provides two services that are not managed centrally by any other system. They are centralized fund raising and police services. Because of the proximity of the primary campuses of the two components in Lubbock, the efficiencies of maintaining a centralized police department are material. Effective fundraising initiatives are achieved with system level oversight including donor outreach, identification of priorities, and coordinated capital campaigns. Half of the FTE employees of the system offices, 49.6% or 125.55 FTE, and 35.4% or \$6.252 million of TTUSA's total operating expenses were budgeted for these two functions in FY 2004.

III. ACCOUNTABILITY

In December of 2002, the Board of Regents of the Texas Tech University System approved a systemwide strategic plan and accountability system that incorporates an integrated set of benchmarks and performance measures tied to specific goals. The primary goals are matched with key benchmarks to measure progress toward those goals and to provide accountability and transparency. The Board is committed to an annual review and update of the strategic plan and accountability system to ensure it continues to be a useful planning tool and an effective method

of accountability. Texas Tech intends to modify the existing System strategic plan to incorporate and directly link to the statewide accountability system when adopted at the state level.

Additional efforts to provide quality services in an effective and efficient manner to students, parents, the legislature, executive branch and general public have resulted in the Board commissioning a Texas Tech University System Cost Saving, Efficiency, and Revenue Enhancement Study by Accenture. This study was completed in 2004 and is available on request. Although Texas Tech's administrative expense ratios are among the lowest for higher education in Texas, the Board of Regents and the administration commissioned this review of the System and its institutions to identify additional cost savings, efficiencies and revenue enhancements that can be applied to the academic missions of the component institutions.

IV. EFFECTIVENESS

The value and worth, and effectiveness of a system administration cannot be ascertained without considering the administrative cost ratios at the component institutions. To truly evaluate the efficiency and necessity of a system administration, the totality of administrative costs should be considered, not just those attributable to the system offices alone. It must be remembered that all of the system offices in the state, while they share many common functions and traits, are different and unique to the particular circumstances of the component institutions they serve. Uniform, consistent comparisons are difficult to achieve. Each system office should be evaluated as to its value and contribution to not only the administrative efficiency of its components but also to the value – added enhancement of the core academic enterprise.

V. FUNCTIONAL ORGANIZATION

The Texas Tech University System currently performs or coordinates many collaborative functions between the three components: Texas Tech University, Texas Tech University Health Sciences Center, and Texas Tech University System Administration. Principal among these are:

1. Strategic Planning – The System offices and the Board of Regents provide significant support for strategic planning. As Texas Tech's institutions look to the future, examining how they will continue to improve their academic status and further serve the students and citizens of Texas is of greatest importance.
2. Fund Raising Infrastructure – The Institutional Advancement Office is staffed with senior fundraisers. Infrastructure is in place to support major fund raising initiatives and activities systemwide. Although TTUS successfully recently completed a major capital campaign, there is a continued emphasis on fundraising necessitated by the current economic conditions and the need to continue to grow resources to assist students with scholarships and build support for quality faculty. The reporting of this function to the Chancellor is unique among higher education systems in Texas.
3. Shared Information Systems - Major information systems for Accounting, Payroll, Human Resources, On-Line Travel, Student Information, and Financial Aid are provided. These major systems are supported and maintained by the Technology

Operations and Systems Management and Information Systems departments. The Texas Tech University System is the only System in the State of Texas to have centralized support for all major administrative information systems.

4. Legal – Full legal services are supported systemwide by qualified staff which minimize legal risks in a cost-effective manner.
5. Audit Services – Internal audit provides systemwide reviews of administrative and accounting internal controls and assessments of quality of performance.
6. Facilities Planning and Construction - All major projects are supported systemwide through one operation. Each component of the TTUS has completed a Campus Master Plan for the future. These plans are for needed new educational and research facilities, parking structures, and campus design.
7. Equal Employment Opportunity – The EEO staff ensures that equal employment opportunity exists in all personnel transactions within the TTUS.
8. Investments – Strong portfolio management of Long Term Investments (endowments).
9. Cash Management – Management of day-to-day cash position and operations.
10. Debt Management – Fully qualified debt management staff and appropriate reserves enable the TTUS to receive an Aa rating.
11. Utilities – All major utilities are bought and supplied through the TTU Physical Plant department.
12. Microsoft Site License – Microsoft basic software is available to all students, faculty, and staff through payment of a base fee.
13. Internet Services – High-Speed Internet services systemwide are supported through a single provider.
14. Risk Management – Implementation and responsibility for the TTUS risk management program, including workers compensation support and the systemwide HeartFirst Automated External Defibrillator program.
15. News (Information Services) – Fully staffed public information and relations function supports all the system components.
16. Communication Services – All telephone and operator related services are provided through a central department.
17. Governmental Relations – Presence in Austin and Washington to provide requested information and to track System issues.
18. Library Collaboration - Component libraries cooperatively purchase library materials including books and periodicals.
19. Police – Police services in Lubbock are under a systemwide central command. The reporting of this function to the Chancellor is unique among higher education systems in Texas.
20. Community Relations and Cultural Diversity – Directed efforts to increase the diversity of the TTUS.

Texas Tech University System Administration
University System Administration Survey

Cat	Function / Service / Activity	Description of Function / Service / Activity	METHOD OF FINANCE			FY 2004 FTE Budgeted Positions		
			General Administration (GR)	Self-Supported Activities (Institutional Funds)	FY 2003 Total Expenditures	Admin. Support	Professional	Total
1	Central administration	The Texas Tech University System administration is the executive arm of the System.	2,487,281	1,999,046	4,486,307	17.85	5.74	23.59
2	Board of Regents	Board of Regents office and support. The System offices and the Board of Regents provide significant support for strategic planning. As Texas Tech's institutions look to the future, examining how they will continue to improve their academic status and further serve the students and citizens of Texas is of greatest importance.	85,925	18,547	102,472	1.50		1.50
3	Strategic Planning	Fully staffed public information and relations function supports all the system components.		185,000			1.00	1.00
4	News and Publications	The EEO staff ensures that equal employment opportunity exists in all personnel transactions within the TTUS. Directed efforts to increase the diversity of the TTUS.	910,311	49,810	960,121	12.00	10.97	22.97
5	Community Relations and Cultural Diversity		447,989	39,280	487,269	3.00	4.75	7.75
6	Academic affairs coordination and support							
7	General Counsel and other legal services	Full legal services are supported systemwide by qualified staff, which minimize legal risks in a cost-effective manner.	632,048	4,928	636,976	2.81	5.81	8.62
8	Budgeting, accounting, and data reporting		284,587	28,252	322,840	2.00	2.00	4.00
9	Fiscal management	Office of the Chief Financial Officer. Strong portfolio management of Long Term Investments (endowments). Management of day-to-day cash position and operations. Fully qualified debt management staff and appropriate reserves enable the TTUS to receive an Aa rating.		809,514	809,514	2.00	5.00	7.00
10	Cash and Debt Management	Implementation and responsibility for the TTUS risk management program, including workers compensation support.	177,876		177,876	3.00	1.00	4.00
11	Risk Management							
12	Facilities and construction	All major projects are supported systemwide through one operation. Each component of the TTUS has completed a Campus Master Plan for the future. These plans are for needed new educational and research facilities, parking structures, and campus design. Presence in Austin and Washington to provide requested information and to track System issues.		2,888,032	2,888,032	7.00	34.00	41.00
13	Governmental relations	Internal audit provides systemwide reviews of administrative and accounting internal controls and assessments of quality of performance	383,858	19,034	402,890	1.00	2.00	3.00
14	Audit services		841,328	61,891	703,017	1.00	13.00	14.00
15	Real estate management	GIO - Shared Information Systems - Major information systems for Accounting, Payroll, Human Resources, On-Line Travel, Student Information, and Financial Aid are provided. These major systems are supported and maintained by the Technology Operations and Systems Management and Information Systems departments. The TTUS is the only System in the State of Texas to have centralized support for all major administrative information systems.		24,000	24,000		supplemental to TTUHSC	
16	Information technology services							

University System Administration Survey

Cnt	Function / Service / Activity	Description of Function / Service / Activity	METHOD OF FINANCE			FY 2004			
			General Administration (GR)	Self-Supported Activities (Institutional Funds)	FY 2003 Total Expenditures	Admin. Support	Professional	Total	
17	Aircraft operation and usage.								
18	Institutional Advancement	The Institutional Advancement Office is staffed with senior fundraisers. Infrastructure is in place to support major fund raising initiatives and activities systemwide. Although Texas Tech University System successfully completed a major capital campaign last year, there is a continued emphasis on fundraising necessitated by the current economic conditions and the need to continue to grow resources to assist students with scholarships and build support for quality faculty. The reporting of this function to the Chancellor is unique among higher education systems in Texas.	1,180,240	1,922,407	3,102,647	24.41	28.98	53.37	
18	Police	Police services in Lubbock are under a systemwide central command. The reporting of this function to the Chancellor is unique among higher education systems in Texas.	2,464,741	11,756	2,476,497	19.5	46.18	65.68	
TOTAL			9,686,272	7,637,277	17,323,549	97.17	160.21	257.38	

University of Houston System Administration

Overview

The UH System Administration supports the four UH System universities in fulfilling their missions. Services are consolidated within the system for the most cost efficient and effective use of resources. In addition, the UHSA provides the UH System Board of Regents with information and advice so that they may set policy and fulfill their fiduciary responsibility to the people of Texas.

Unlike other university systems in Texas, the UH System does not have a separate system administration. Rather, system functions are executed by a senior administration that possesses responsibilities on behalf of both the UH System Administration and the University of Houston. The Chancellor of the UH System also serves as President of the University of Houston. Similarly, there are vice chancellors and vice presidents who serve dual roles in the following functional areas:

- Academic Affairs
- Administration and Finance
- Governmental Relations
- General Counsel
- University Advancement
- Research and Intellectual Property Management
- Information Technology
- Student Affairs

Within these functional areas, the extent to which responsibilities are university-based versus system-based varies greatly. Below are the major UH System Administration responsibilities:

Academic Affairs: Facilitates the delivery of higher education services that are responsive to the needs of the people of Texas and the greater Houston metropolitan area.

- Coordinates academic program development that addresses the needs of the entire service area, guards against inefficient duplication of effort, and allows for collaboration where appropriate.
- Coordinates strategic planning that emphasizes the distinct missions of the universities in light of identified Board of Regents priorities.
- Represents the universities before the Texas Higher Education Coordinating Board to secure approval for their academic initiatives.
- Coordinates the development and operations of UH System multi-institution teaching centers.
- Provides oversight for Houston's public television and radio stations (KUHT-TV and KUHF-FM)

Administration and Finance: Provides support for financial and administrative operations.

- Provides centralized services to the universities, including payroll, accounts payable, and linked contracting.
- Maintains policies and procedures for auditing and financial reporting.
- Coordinates and facilitates the development of university budgets.
- Maximizes the return on investment of the UH System endowment.

Governmental Relations: Represent university interests before government officials.

- Acts as a liaison between university officials and constituencies and state and federal officials.
- Pursues governmental relations activities that maximize positive public exposure for the universities.
- Provides analysis and information to the universities relating to governmental action and activities.

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

General Counsel: Provides all legal services for the benefit of the UH System and its component universities.

- Provides advice to university leadership on all legal matters affecting the UH System and its component institutions.
- Facilitates legal representation of the UH System and its component institutions by the Attorney General and outside counsel in administrative proceedings and litigation in state and federal court.

University Advancement: Assists the universities in securing support from external constituencies.

- Coordinates marketing and communications initiatives that present an accurate and effective image of the UH System universities.
- Facilitates and coordinates development initiatives that maximize private donations to the universities.

Research and Intellectual Property Management: Facilitates the acquisition and management of external research funding and associated intellectual properties.

- Develops research priorities and programs based on the academic strengths of the institution and enhances efforts to build multidisciplinary research programs across centers, colleges, and UHS campuses.
- Enhances research infrastructure by providing better facilities and services across UHS components.
- Enhances the resources for intellectual property management to increase the UHS intellectual property portfolio and associated income.
- Assists in UHS planning and budgeting, and in the production of a UHS federal and state agenda that will impact research and intellectual property programs and policies.
- Develops policies and procedures and provides oversight of federal compliance standards to assure continued eligibility for research funding.
- Provides research reporting for the UHS Board of Regents and oversight of research financial data and research reporting for the UH campus.

Information Technology: Facilitates the use of information technology for the benefit of the universities and the students they serve.

- Facilitates the use of information technology to enhance the quality of educational programs and expand access to instructional services.
- Uses information technology to streamline operations, conserve financial resources, and increase productivity across the System.
- Enhances communications networks among the universities to provide greater access, speed, and reliability.

Student Affairs: provides effective support for the delivery of enrollment management and a broad array of student services:

- Coordinates compliance with federal and state regulations and directives in the student service area such as FERPA, HIPAA, & the state Uniform Recruitment and Retention reports;
- Identifies best practices in the delivery of services and facilitates partnerships among the component institutions such as web-based job placement.
- Develops system-wide approaches to shared responsibilities, such as the joint purchase of software for SEVIS compliance and the joint purchase of student health insurance.

In addition to these functional areas, which report to the UH System Chancellor, there are also responsibilities performed directly on behalf of the UH System Board of Regents and paid for through the UHSA appropriation. These include the Office of the Board of Regents and the Department of Internal Auditing. The Board Office provides administrative support to the regents in executing their duties. The office is responsible for organizing all board meetings, including the preparation of agendas and minutes, as well as ensuring compliance with applicable state laws. The Internal Auditing Department is responsible for evaluating the UH System's fiscal integrity and compliance with applicable state and federal laws, as well as board/institutional policies. The department also functions as a resource tool for management, enabling the UH System to monitor the effectiveness with which policies are followed, objectives met and control systems followed.

University System Administration Survey
From FY 2003 Annual Financial Reports

University of Houston System Administration		Description of Function / Service / Activity	FY03 Expended		Full-Time Equivalent Employees			
Cnt	Function / Service / Activity		Total	General Admin (General Revenue)	Self-Supported (institutional funds, charge-back funds)	Total	Professional Support	
1	Central administration	Includes support for the Board of Regents, the office of the System Chancellor / UH President, plus the salaries of the Vice Chancellors / Vice Presidents for Research, Student Affairs, and University Advancement.	\$ 2,144,188	\$ 721,329	\$ 1,422,859	16.0	10.0	6.0
2	Academic affairs coordination and support	Includes the Office of the Senior Vice Chancellor / Senior Vice President for Academic Affairs. Additionally, support is provided for distance education, long range planning, and the charter school.	1,417,001	246,532	1,170,469	13.7	11.5	2.2
3	General Counsel and other legal services	Provides general counsel services for all UH System campuses.	811,151	190,000	621,151	12.1	9.0	3.1
4	Budgeting, accounting, and data reporting	Provides budgeting support for UH System Administration and coordination system-wide for budget and Legislative Appropriations Request preparation.	236,112		236,112	5.5	4.0	1.5
5	Fiscal management	Includes the Office of the Vice Chancellor / Vice President for Administration and Finance. Also included is the Office of the Treasurer which provides treasury services for all UH System campuses.	949,322	210,000	739,322	12.5	9.5	3.0
6	Facilities and construction		-			-	-	-
7	Governmental relations	Includes the Office of the Vice Chancellor / Vice President for Governmental Relations which provides support for all UH System campuses.	563,112	175,596	387,516	4.0	3.0	1.0
8	Audit services	Provides internal audit services for all UH System campuses.	687,951	114,869	573,082	11.1	10.0	1.1
9	Real estate management		-			-	-	-
10	Information technology services	Includes the Vice Chancellor / Vice President for Information Technology.	186,404	180,404	6,000	1.0	1.0	-
11	Aircraft operation and usage.		-			-	-	-
12	Staff Benefits	Includes staff benefits for UH System Administration employees (Social Security and Medicare matching, group health insurance, retirement plan matching, longevity pay).	1,322,168	1,197,611	124,557	-	-	-
13	Depreciation	Annual depreciation on UH System Administration capital equipment.	1,007,175		1,007,175	-	-	-
14	Liability Insurance		195,794		195,794	-	-	-
	Total *		\$ 9,520,378	\$ 3,036,341	\$ 6,484,037	75.9	58.0	17.9

* Additional items recorded on the System Administration books include: 1) operational support for the Multi-Institution Teaching Centers (MITCs) University of Houston System at Sugar Land and the University of Houston System at Cinco Ranch (\$1,720,222, 6.7 FTE); 2) operational expenditures for KUHT PBS Television, Channel 8 Houston, which is a self-funded organization (\$7,253,875, 84.2 FTE); and 3) pass-through funding for the appropriated special item NASA & Technology Outreach Program and the transfer of System Service Charge funding to the University of Houston for performing centralized service functions (\$10,328,198, no FTE). These items, when added to the total above, equals \$28,822,673, which is the expenditure total reported in the FY2003 Annual Financial Report.

TEXAS STATE UNIVERSITY SYSTEM SUMMARY

The Texas State University System, in response to the recent Joint Interim Committee on Higher Education – Systems Work Group request to update our System Office information in relation to *Charge 4(a) identify the number and types of classified and unclassified positions in administration of each university system; and Charge 4(b) examine each major function, service, activity performed by System Offices*, submits the following revised narrative.

The Texas State University System is the third largest higher education System in terms of student enrollment, with a student population of almost 66,000. Like the University of Texas and Texas A&M Systems, there are multiple campuses across the state. However, in spite of the size and scope of the System, the System office has fewer FTEs and annually expends less state funding than any other System office in the state. Because of the small staff, most employees must assume multiple functions. Following is a comparison of the size and funding level of the state System offices based on the Coordinating Board's analysis:

System Office	2003 System Office FTEs (GR-funded)	2003 Full-time Student Equivalents
University of Texas	246*	140,997
Texas A&M	89	86,804
Texas Tech	143	28,256
University of Houston	72	44,160
University of North Texas	29	26,847
Texas State University System	12	55,806
Texas State Technical Colleges	30	10,641

*This number does not include the employees of UTIMCO, the University of Texas Investment Management Company.

This chart demonstrates clearly the disparity in funding and FTEs, but what is not reflected are two differences we believe are important to bring to the committee's attention.

- (1) **Although every System has similar basic functions, there are also functions which are unique because of Board and Legislative mandates as well as specific student body and academic complexity.**
- (2) **Budget reductions affect the Texas State University System disproportionately due to the minimal size and funding levels already maintained at the System office.**

Because of an historical effort to keep operate efficiently, the System office has not expanded as others have. Therefore, when new responsibilities are acquired, the staff must take on some part of the new responsibility in addition to their existing job duties. The budget cuts that are contemplated for the 2006-07 biennium would be difficult to absorb. The System office is submitting a legislative appropriations request that complies with the instruction to make 5% reductions, but is requesting consideration of the restoration of funding to the current level, in order to maintain the current level of services and minimum staffing level.

The Texas State University System was established in 1911 to facilitate the management of the higher education institutions established as teacher training colleges. It is currently comprised of nine campuses – Angelo State University, Lamar University, Lamar Institute of Technology, Lamar State College – Orange, Lamar State College – Port Arthur, Sam Houston State University, Sul Ross State University, Sul Ross State University – Rio Grande College, and Texas State University-San Marcos. The System campuses provide a wide range of educational programs, and opportunities from certificate through doctoral degrees.

The Chancellor and the executive team provide leadership, fiscal guidance, legal assistance, academic oversight and construction controls and direction. The Chancellor is appointed by the Board of Regents and is given leadership and management authority over all areas of the System office including administrative, legal, financial, personnel, curriculum, governmental relations, development, planning and construction, procedural and policy matters. The Chancellor represents the Board before various government entities. The Chancellor provides fiscal management, budget review, maintains permanent records and advises the Board on the need for new policies or changes in existing policies and directs presidential searches. The System staff reviews all reports and publications submitted to the Board, The Texas State University System Foundation, the legislature and state agencies. (All services on behalf of the Foundation are reimbursed to the System by the Foundation.)

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The System office provides legal services to all nine institutions through the Office of the Vice Chancellor and General Counsel. The Vice Chancellor and General Counsel and the Associate Vice Chancellor for Governmental Relations serve as the attorneys for all campuses on matters of legal concern, including patent and copyright law, personnel matters, contracts, criminal issues, and immigration matters. In addition, they address questions of various forms of discrimination, open records requests, and issues regarding gifts, bequests and foundation issues, as well as issues regarding insurance and bond issuances. This group also monitors legislation impacting the System and its components and assists in the drafting of such legislation. A staff assistant provides support for legal and governmental relations work.

The System office has three people who oversee fiscal matters. Together they provide budgeting, accounting, payroll, cash management, reporting, and financial record-keeping functions for the System office. This group prepares combined system wide Annual Financial Reports, system wide ad hoc reports and advise and assist the component institutions with all fiscal matters. The Information Technology (IT) function for the System office is also included in this group's responsibilities. They also serve as staff support for the Texas State University System Foundation.

In addition, the System office has an audit function under the direction of the Director of Audits and Analysis, who reports directly to the Board. This position is responsible for the overall audit activities and leadership for the System internal audit staff.

The Vice Chancellor for Academic Affairs provides leadership and direction for all component academic and research programs and works on national and state levels to promote new and existing programs and obtain funding from private and public grants and funding sources. This position requires attendance and participation in meetings related to academic initiatives and programs, as well as monitoring existing academic goals and enhancement opportunities at the component institutions.

The Director of Governmental Relations and the Associate Vice Chancellor for Governmental Relations work together to monitor legislation and legislative committees, respond to requests for information from the universities, state agencies and members of the legislature or the governor's office, draft legislation, make presentations to university groups, research legislative issues for the component institutions, and review and track bills impacting higher education.

The Director of Planning and Construction travels to each campus to monitor the progress of various projects, provide construction management, and conduct inspections. This position develops and maintains standard contracts, provides oversight for all campus planning activities, and assists in the creation of new projects. This position functions as the HUB Coordinator for construction matters, serves as an advisor for all Texas State University System Foundation construction projects, authorizes and recommends consultant and contractor selections for major expenditures, provides financial oversight on construction issues, and provides architectural and engineering design guidelines.

In spite of the limited number of employees, the System has met its responsibilities, providing assistance and support to the institutions in the System, the Board of Regents, other state agencies and, most importantly, the students served by the System institutions.

University System Administration Survey

Angelo State University, Lamar University,
Lamar Institute of Technology, Lamar State
College - Orange, Lamar State College - Port
Arthur, Sam Houston State University, Sul
Ross State University, Sul Ross State
University - Rio Grande College, Texas State
University—San Marcos

Cnt	Function / Service / Activity	Description of Function / Service / Activity	FY 2003 Expense	Number of Employees
1	Central administration	Provides centralized legal, financial, academic, audit and construction management and assistance; advises and assists the Board of Regents in their duties (including the development of Board Meeting agendas, Board Meeting arrangements and the proposal of new rules and regulations), maintains permanent records for the System and prepares a variety of government reports, coordinates efforts with regard to legislative proposals initiated by the components or the Board, represents the Board's interests at various government agencies, provides support to the Board on the procedural aspects of selecting and appointing university presidents. Other activities coordinated through central administration include the issuance and payment of debt instruments and the development of policies for investments made by the components.	273,680.40	2.83
2	Academic affairs coordination and support	Provides system-wide leadership for components in maintenance, enhancement and promotion of excellence in academic and research programs; initiates the development of system-wide or joint academic initiatives, represents the System at various government, academic, professional, regulatory and oversight bodies and periodically prepares reports on the accreditation status of the component universities, monitors internal controls in the academic administration of each component university, coordinates distance learning initiatives and development of international programs, provides leadership for expanding public and private sector grants, promotes partnerships with business, industry and universities outside of the TSUS, assists the component universities with issues concerning retention, recruitment and accountability.	174,931.63	0.91
3	General Counsel and other legal services	Reviews and assists components with legal matters, serving as their legal counsel. Serves as the legal advisor to the Board of Regents, reviews contracts before they are submitted to the board, has the authority to approve and provides assistance in the preparation of institutional handbooks. is a representative to the System's Minority Enhancement Committee, reviews legislation that affects the System, assists in drafting proposed legislation, works with the Attorney General and outside legal counsel concerning matters that affect the System, coordinates outside legal counsel, monitors all lawsuits brought against the System or component institution and assists the Attorney General in defending or prosecuting the cases, performs research and drafts presentation to be made by legal staff, the Board or other System officials.	301,678.90	2.28
4	Budgeting, accounting, and data reporting	Reviews budgets, budget changes, financial reports, LARs; submits all financial reports for the System office, prepares and submits System office payroll/human resource reports, responds to Board of Regents' requests for financial reports and information, provides assistance to the State Auditor's Office with regard to audits at the universities or at the System office, provides all System Office accounting and annual reports (including the System's Combined Annual Financial Statement).	181,779.24	1.71

University System Administration Survey

5	Fiscal management	Reviews all component depository contracts, pledged securities collateral reports, monthly operating reports, provides assistance to the universities and Board of Regents concerning bond sales, works with bond counsel to prepare all documents necessary for bond issuances, monitors legislation affecting the System, procures and maintains all insurance coverages, provides research and drafts formal presentations on fiscal matters to be made by members of the Board of Regents or other System officials.	114,346.45	0.75
6	Facilities and construction	Reviews all proposals and monitors all construction activities within the System, prepares all Architectural and Engineering Contracts and construction contracts, represents the Board of Regents and universities at all planning meetings, bid openings, contract negotiations, construction disputes and final inspections, interviews and maintains files on all Architects and Engineers who make application to perform consulting services for the System, serves as liaison between the universities and state construction regulatory agencies, provides architectural and engineering design guidelines, reviews project budgets, preliminary plans, detail design plans, contract documents and cost estimates, provides construction management, reviews and approves project estimates and change orders monthly, conducts pre-construction conferences and pre-bid conferences when necessary, provides information concerning construction requested by the Board or university administrators.	137,322.15	1.23
7	Governmental relations	Monitors committees and legislation, provides information & responds to requests for information from legislature, executive branch, components, assists the General Counsel in drafting legislation approved by the Board of Regents and advises the Board on the progress of legislation, keeps a database of legislative proposals and their progress.	211,459.33	1.39
8	Audit services	Plans audits, monitors risk assessment, training, audit activity and reporting as well as external auditor interface and support; responsible for the overall audit activities conducted at the components of the system, reviews and analyzes financial and statistical data for the System.	125,052.76	1.01
9	Real estate management	Provides assistance with the acquisition and sale of real estate and coordinates plans for the long range use of real estate.	8,449.77	0.06
10	Information technology services	Provides support for all issues related to the operation and maintenance of the System office computer system which includes networks, servers and related peripheral equipment, including the purchase of hardware and software as well as the interface with components and state agencies.	26,945.15	0.40
11	Aircraft operation and usage.	Provides scheduling of State Aircraft Pooling Board aircraft, charter flights and commercial flights for Regents, Central Administration and University administrators. (TSUS does not have its own aircraft to operate.)	2,727.23	0.03
Total			1,558,373.01	12.60

Note: These expenditures are from Appropriated Funds only.

DESCRIPTION OF UNIVERSITY OF NORTH TEXAS SYSTEM OFFICE

When the University of North Texas (UNT) System was established in 1999, UNT System officials and the Board of Regents examined other Texas university systems and created an administrative structure appropriate in size and function for its existing institutions but capable of accommodating future campuses and expanded functions at the system level when and where needed in the future.

Since the inception of UNT System, functions including Audit, Chancellor's Office, Government Relations, and Legal have been provided primarily by fulltime System staff. Other functions of the System were provided by UNT Denton staff.

For example, Academic Services, Facilities, Finance, Communications, Diversity and Equity, and Health Related Academic Services have been performed by campus-level administrators and staff whose salaries, benefits, and related maintenance and operating costs are divided between the budgets of their respective campuses and the System.

In FY2004, two major changes have been made in UNT System structure which affects the FY2004 budget information. Existing staff and functions of Capital Facilities Development and Compliance were transferred from UNT Denton to the System into an Administrative Services Office, while existing Planning staff was transferred from the System to UNT Denton.

The second major change in FY2004 was the transfer of line and budget responsibility for two state-supported special item programs from the budget of UNT Denton to the System:

1. The Federation of North Texas Area Universities includes the Universities Center of Dallas (UCD) The UCD is a regional education center (MITC) administered by the UNT System on behalf of several participating public universities in the North Texas region.
2. The UNT System Center at Dallas is teaching over 1,200 students each semester in southern Dallas and will be transferred to the new UNT at Dallas when future enrollments reach the level of a separate university.

The transfer of these two special items in 2004 increased the number of system employees and the System budget, on paper, but it did not increase the actual totals of campus and System staff and budgets. In fact, both programs experienced a budget reduction consistent with other state special item programs. The fact that these programs were transferred into the UNT System budget gives the misleading appearance of a significant increase in the size of the UNT System rather than a simple

transfer of funding and administrative responsibilities. Regardless, the UNT System budget did not change materially from FY 03 to FY 04 .

Leaving aside these special item transfers, the UNT System had:

39.08 FTE in FY03 and Actual Expenditures of	\$5,039,241
<u>48.14 FTE in FY04 and a n Operating Budget o</u>	<u>\$5,322,197</u>
9.06 FTE	+ \$ 282,956

The apparent FTE and budget increases resulted primarily from the transfer of Facilities and Compliance staff from the campus to system budget.

UNT System raises the issue again that there has never been a clear state funding "formula" for System operations, in part because the functions are arranged differently in each System. UNT System, for example, not only provides Legal, Audit, and Government Relations services at the System level with full-time employees, but our System does not have additional FTE employees performing similar services for our campuses. Other systems may have both system and campus staff performing these functions.

Because these functions are truly centralized in the UNT System, we continue to raise an equity issue about System funding. On a per student basis or per formula dollar basis, the level of state support that UNT System receives for our "System Office Operations" is well below that of all other system offices that do not receive funding from the Available University Fund. As a result, our component institutions carry a disproportional share of the cost of system services compared to other public universities in the state. A funding formula for System operations based on students served system-wide, or system-wide formula funding received, would help alleviate this inequity.

Should you require any additional information, please let us know.

University of North Texas System Administration
 University System Administration Survey
 From FY2003 Annual Financial Reports

Functional Area	Expenditures by Activity Type and Method of Finance				FTE's by Activity and Method of Finance					
	General Administration	Self-Supported Activities	Depreciation	Other Agency Expenses	FY2003 Total Expenditures	General Administration	Self-Supported Activities	Depreciation	Other Agency Expenses	Total FTE
Central Administration	697,839				697,839	3.45				3.45
Academic Affairs Coordination and Support	31,866				31,866	0.44				0.44
General Counsel and Other Legal Services	723,809				723,809	7.81				7.81
Budgeting, Accounting and Data Reporting	156,582				156,582	2.10				2.10
Fiscal Management	150,404				150,404	1.17				1.17
Facilities and Construction		333,332			333,332		2.17			2.17
Governmental Relations	683,272				683,272	4.50				4.50
Audit Services	664,918				664,918	11.77				11.77
Real Estate Management										
Information Technology Services										
Aircraft Operation and Usage	97,492				97,492	1.57				1.57
Board of Regents	154,874				154,874	2.25				2.25
Marketing & Communication	125,113				125,113	1.47				1.47
Planning	10,375				10,375	0.05				0.05
Distributed Learning	16,722				16,722	0.33				0.33
Equity/Diversity	59,952				59,952					
Other Administrative Services	28,435				28,435					
Staff Benefits	132,610				132,610					
System Building Costs			567,687		567,687					
Depreciation and Amortization										
Staff Benefits										
TOTAL	3,732,263	333,332	567,687	405,960	5,039,241	36.91	2.17	-	-	39.08



TSTC System Office
 Submitted to Representative Tony Goolsby
 Work Group for Higher Education System Administrations

Description

The TSTC System Office has undergone a variety of changes between 1993 and 2003. The number of System Office FTE's has been reduced from 55.7 to 30.65, while student enrollment has grown by 45% (not including students at the former TSTC Amarillo).

Operational Priorities

In Fiscal Year 2003, the TSTC System distributed its \$3,497,945 in appropriated funds and its 30.65 FTEs in the following order of priorities:

<i>Percentage of Funds</i>	<i>Category</i>	<i>Amount</i>
38.6	Centralized IT Management	\$1,349,525
19.6	System and Amarillo Benefits Payments	685,775
13.9	Centralized Fiscal & Budget Administration	486,701
7.4	Academic Affairs	258,854
5.7	Central Administration	198,084
4.1	Audit Services	143,526
3.0	Marketing	106,052
2.8	General Counsel & Other Legal Services	96,047
1.8	Resource Development	62,584
1.5	Forecasting Technology Education Program Needs	53,390
1.0	Records Management	35,179
0.6	Board of Regents	22,223
100.0	Total	\$3,497,945

Reporting Requirements

The TSTC System is unique in the Texas higher education community in that the State of Texas considers it a single agency; as such, the TSTC System is required to submit most government-mandated reports in the aggregate. As a result, the TSTC System Office is responsible for preparing and submitting close to 200 required reports each year on a wide range of topics to more than 25 government agencies.

Examples of Efficiency Strategies

- Systemwide volume purchases of strategic items for maximum savings (estimated savings of approximately \$1M in computer hardware, software, and site licenses alone).
- Enhancement, support, and maintenance of a single systemwide administrative computer database.
- Development and purchase of a systemwide learning management system and portal. This maximizes human and fiscal resources to improve on-line accessibility for conventional, blended, and on-line courses, including communications, curriculum, and instruction.
- Development and implementation of an integrated branding, marketing, and recruitment plan for the system.
- Development and extensive use of a private video-conferencing network connecting the colleges and the System Office. This has created significant savings in travel expenses and time, and it has given TSTC the ability to meet and confer in a timely fashion on matters of strategic importance.
- Sharing of a few support staff at the System Office among many professional staff (current ratio 8.5:1).
- Sharing of a single general counsel and a single internal audit office by the entire TSTC System.
- Appointment of key college personnel to positions with both college-specific and systemwide responsibility: 1) marketing and recruitment, college-specific and systemwide; 2) facilities and police administration, college-specific and systemwide; and 3) college presidents who serve as business developers for the entire system.

Summary

The overwhelming purpose of the TSTC System Office is to provide direct support to the colleges' core functions. The functions of the System Office are those that are systemwide in scope, require cross-college coordination, and/or benefit from economies of scale. Their focus is on maximizing resources, minimizing redundancies, and leveraging the strongest aspects of each component of the system, while promoting effectiveness, efficiency, and accountability.

The largest percentage of dollars is invested in a systemwide administrative and educational information technology infrastructure, fiscal and budget administration, and academic affairs. The colleges determine the scope and depth of System Office services on an on-going basis, and they often task the System Office with providing leadership and coordination of strategic initiatives that would benefit them all. Current examples include student success initiatives; emerging technology forecasts for new instructional programs; workforce development activities; an e-commerce system; document imaging; purchasing processes and systems; coordination of systemwide grants and contracts; and development of alternative revenue streams.

University System Administration Survey
From FY 2003 Annual Financial Reports

Cnt	Function / Service / Activity	Description of Function / Service / Activity	FY 2003 Expense	Number of Full-Time Equivalent Employees	
				Unclassified	Classified
1	Central administration		198,084	1.15	0.50
2	Academic affairs coordination and support		258,859	2.25	0.60
3	General Counsel and other legal services		96,047	1.00	0.20
4	Budgeting, accounting, and data reporting		268,142	5.00	0.60
5	Fiscal management		218,559	2.00	0.50
6	Facilities and construction				
7	Governmental relations				
8	Audit services		143,526	2.00	0.30
9	Real estate management				
10	Information technology services		1,349,525	8.70	3.60
11	Aircraft operation and usage.				

University System Administration Survey
From FY 2003 Annual Financial Reports

Cnt	Function / Service / Activity	Description of Function / Service / Activity	FY 2003 Expense	Number of Full-Time Equivalent Employees
12	Marketing		106,052	
13	Records Management		35,179	0.80 Classified
14	Forecasting Technical Education Program Needs		53,390	0.40 Unclassified 0.10 Classified
15	Board of Regents		22,223	0.40 Classified
16	Resource Development		62,584	0.40 Unclassified 0.15 Classified
17	Staff Benefits - ISTC Paid		65,919	
18	Staff Benefits - General Revenue		619,856	
	Total		3,497,945	22.90 Unclassified 7.75 Classified

INTERIM CHARGE FIVE

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

Changes in the organization and operations of institutions of higher education that will improve opportunities for residents of all areas to enroll in and complete programs of higher education.

Background:

The TEXAS Grant¹⁴² and B-On-Time Student Loan Programs¹⁴³ are designed to reward students who graduate from high school with the Recommended Curriculum.

The TEXAS Grant Program's commitment to continuing students encourages retention while the forgiveness option of the B-On-Time Loan Program encourages students to be efficient in completing their studies. Several facts support this approach:

- Grants are more effective than other types of aid in encouraging students to enroll in college;
- Since most students who drop out of college do so during their first two years of college and before they acquire educational credentials that could help them repay loans, they would be served best by avoiding loans;
- Students with two years of college experience are more confident about their futures and more comfortable borrowing money.

Recommendation 1:

The legislature should promote high school preparation and college success by awarding TEXAS Grants to eligible students during their first two years of college (first three years if they have acquired an associate's degree) and use the B-On-Time Student Loan Program to provide assistance in the upper-division undergraduate years.

Background:

Under the tuition rebate program, a student can receive a \$1,000 rebate only if he or she completes a degree having attempted no more than three semester credit hours beyond the requirements of that degree (excluding up to nine hours of credit by examination).¹⁴⁴ Since the rebate program measures hours, not years, a student can attend over several years and meet his or her criteria. The rebate program was established to reward students for timely completion of graduation requirements.

Recommendation 2:

The legislature should modify the tuition rebate program to include awards to students graduating on time as measured by years, not just hours.

Background:

There is \$3 billion available every year to help Texas students attend institutions of higher education.¹⁴⁵ Senate Bill 573, 77th Texas Legislature (2001) created the College for Texans Campaign to promote the value and availability of higher education. The College for Texans Campaign's focus is to ensure that all students and their parents understand the benefits of higher education and the steps necessary to prepare academically and financially for college.

Recommendation 3:

The legislature should continue state support for the College for Texans Campaign.

Background:

Unlike the TEXAS Grant Program¹⁴⁶, The Texas Grant II Program¹⁴⁷ doesn't require recipients to have completed the Recommended High School Curriculum. Therefore, students who receive TEXAS Grant II awards are typically less prepared for college than TEXAS Grant recipients. However, the continuation award requirements for TEXAS Grant II¹⁴⁸ are more stringent than those for TEXAS Grant¹⁴⁹ and B-On-Time Loan Programs.

Recommendation 4:

The legislature should align state academic progress requirements for the TEXAS Grant II Program to conform with the requirements of the TEXAS Grant Program and Texas B-On-Time Loan Program¹⁵⁰.

Background:

The Educational Aide Exemption Program is designed to increase the state's supply of teachers by encouraging previous educational aides to enroll and acquire teaching certificates.

Current statute requires an individual to have been employed as an educational aide one of five years previous to receiving the exemption.¹⁵¹

As a result, an otherwise eligible student who was an aide two years before entering the program, but who is now employed in some other capacity, either has to pay full tuition or drop out of the exemption program after two years' of progress toward a teaching certificate because he or she can no longer claim to have been employed as an aide one of the previous five years. The student must then work for a year as an educational aide to regain eligibility for the exemption in the future.

Recommendation 5:

The legislature should adjust the statute for the Educational Aide Exemption Program to indicate that a year of work as an educational aide is only a requirement for receiving a recipient's initial award in the program.¹⁵²

Background:

To optimize the use of state funds and simplify operations for students and institutions, the consolidation and transfer of funds for certain programs into other programs is essential.

Student eligibility criteria for the Student Deposit Scholarship¹⁵³ and the Texas Public Educational Grant¹⁵⁴ are the same. This change would eliminate one program, simplifying program operations and reporting at the institutional level.

Recommendation 6:

The legislature should allow for institutions to issue funds generated through the Student Deposit Scholarship Program¹⁵⁵ to students through the Texas Public Educational Grant Program.¹⁵⁶

Background:

To optimize the use of state funds and simplify operations for students and institutions, the consolidation and transfer of funds for certain programs into other programs is essential.

Recommendation 7:

The legislature should allow institutions to issue their License Plate Insignia Scholarship Program¹⁵⁷ funds to students through the Texas Public Educational Grant Program (Texas Education Code, Section 56.033).¹⁵⁸

Background:

The Public Student Incentive Grant exists only as a line item in the Coordinating Board's section of the General Appropriations Act and was added to provide state matching funds for federal grants for students' institutions. Now that TEXAS Grants¹⁵⁹ can provide state matching funds for federal grants, the \$1,433,000 appropriated for the Public School Incentive Grant could be used more effectively.

Recommendation 8:

The Legislature should allocate the funds as follows:

- The legislature should appropriate \$683,000 to the Texas College Work-Study Program, where state funds leverage employer contributions to generate approximately \$911,000 in student earnings.¹⁶⁰
- The legislature should appropriate \$250,000 to the Professional Nursing Loan Repayment Program, where it will attract federal matching funds and produce \$500,000 for awards for nurse practitioners.¹⁶¹
- The legislature should appropriate \$500,000 to supplement existing State Nursing Scholarship programs for professional nurses, to encourage nurses to pursue a faculty track.¹⁶²

Background:

Students in middle school and even the first year or two of high school can successfully prepare for college if appropriately supported, advised and instructed.

Recommendation 9:

The legislature should require the P-16 Council to develop a college-readiness program for eighth through twelfth-graders in all public schools by 2008.

Background:

Under current state law, students register and pay for tuition, fees and books in August. Students cannot receive their state aid until the middle of September because of the September 1st start of the state fiscal year.

Recommendation 10:

The legislature should allow the Coordinating Board to draw down a portion of financial aid funds in August when most students are registering for fall enrollment and must pay for tuition, fees, and books.

Background:

Currently, students who qualify for financial aid, but who cannot receive financial aid by the time they register, have to acquire alternate funding. This can create severe hardships for those students who do not have access to alternative funding arrangements.

Recommendation 11:

The legislature should require institutions of higher education to allow students to enroll on an accounts-receivable basis for tuition and fees if they are unable to pay due to a timing delay of the release of federal or state financial aid funds.

Background:

The state's installment plan currently offers only two options - full payment prior to the beginning of the term or payment of half of the required amount prior to the beginning of the term, followed by two payments equal to a quarter of the required payment.¹⁶³

Recommendation 12:

The legislature should allow students who have been approved for financial aid to enroll under the installment plan even if financial aid funds are delayed beyond the initial installment payment date.¹⁶⁴

Background:

The state has a shortage of teachers and is meeting some of that need through the use of alternative teacher certification programs offered through Regional Education Service Centers and other public and private entities. These entities are not defined in the current Hinson-Hazlewood College Student Loan Program statutes as “eligible institutions.”¹⁶⁵ As a consequence, financial aid for individuals seeking certification through these programs is not available.

Recommendation 13:

The legislature should expand the Hinson-Hazelwood College Student Loan Program to allow eligibility for students enrolled in alternative certification programs approved by the State Board for Educator Certification.¹⁶⁶

Background:

Current statutes allow the state to use the federal Lender’s Special Allowance to pay for the administration of loan and grant programs.¹⁶⁷ These funds have in the past been used to provide for administration by the Texas Higher Education Coordinating Board. However, the cost for administration can be covered under other appropriated funds. As a consequence, these funds could be used more effectively in *Closing the Gaps by 2015* as financial aid rather than as administrative costs.

Recommendation 14:

The legislature should amend the statute that allows the state to use the federal Lender's Special Allowance¹⁶⁸ to pay for the administration of loan and grant programs and extend the authority to allow such funds to be awarded to students through the TEXAS Grant or other state financial aid programs.

Background:

While the TEXAS Grant Program¹⁶⁹ applies to four-year institutions, the TEXAS Grant II¹⁷⁰ targets students at two-year institutions. The similar name proves to be confusing for parents and students causing them to miss out on financial aid opportunities. This confusion would be reduced if the TEXAS Grant II Program were easier to distinguish from the much larger TEXAS Grant Program.

Recommendation 15:

To eliminate confusion with the TEXAS Grant program, the legislature should change the name of the TEXAS Grant II program.

Background:

Students in the TEXAS Grant program may be granted an extension of eligibility in the case of hardship.¹⁷¹ This can occur if the financial aid officer concludes that a student fell below program academic progress requirements as a result of a personal or family emergency. Financial aid officers should have the same professional judgment options in the TEXAS Grant II program¹⁷² as in the TEXAS Grant program.¹⁷³

Recommendation 16:

The legislature should provide the same hardship provisions for the students receiving awards through the TEXAS Grant II program¹⁷⁴ as are available for students in the TEXAS Grant Program.¹⁷⁵

Background:

The National Guard Tuition Assistance Program provides free tuition to certain members of the Texas National Guard or Texas State Guard. Currently, statutes require the National Guard to write program rules and select recipients for the program, and the Coordinating Board to certify the adequacy of funding, notify institutions, and issue funds.¹⁷⁶ Although the two agencies cooperate well together, splitting these responsibilities delays the delivery of funds to students and creates confusion about whom to contact to resolve problems. The National Guard already administers a similar program funded by the federal government and is fully capable of handling full administration of the entire program.

Recommendation 17:

The legislature should end the inefficiency and confusion created by dual administration and assign full administration of the Tuition Assistance Program for Members of State Military Forces, i.e., National Guard,¹⁷⁷ to the Texas National Guard.¹⁷⁸

Background:

During the 78th Legislative Session, two conflicting bills regarding the Early High School Graduation Scholarship Program were enrolled on the same day.¹⁷⁹

- House Bill 1882 is effective for students graduating from high school on or after September 1, 2003.
- Senate Bill 1366 has conflicting language that appears to apply to students who enter ninth grade in the fall 2003 or later. Therefore, this bill would not affect awards to students until they graduate in spring

2006. Retaining this conflicting language in statute could needlessly interfere with students' eligibility for this scholarship program.

Recommendation 18:

The legislature should retain the eligibility dates established by House Bill 1882, and repeal the delayed eligibility dates codified by Senate Bill 1366.¹⁸⁰

Background:

From a legal perspective, community colleges are a hybrid creature in the statutes. They are sometimes referred to as institutions of higher education, school districts, or agencies of local government. Because of this odd construction, some courts have had difficulty assigning explicit legislative intent on questions of whether sovereign immunity and the power of eminent domain are granted to community colleges.

Recommendation 19:

The legislature should clarify sovereign immunity and eminent domain statutes so they clearly apply to community colleges.

Background:

Community colleges are expected to enroll the majority of new students necessary to the state's *Closing the Gaps by 2015* goals. This will place a financial strain on most community college districts as they struggle to provide the resources necessary to meet this increased demand. Many community college districts might not have a large enough tax base to adequately support large enrollment growth.

Recommendation 20:

The legislature should review the recommendation made by the Texas Higher Education Coordinating Board in January 2003 that endorses the incorporation of territory within the community colleges' legislatively designated service areas into the taxing districts.

Background:

At the request of the Joint Interim Committee on Higher Education in March 2004, the Coordinating Board collected information from each of the general academic institutions of higher education in Texas of major sources of revenue and expenditures, sources of financial aid, and the cost of education. This

information provided valuable insight to financial aspects of the general academic institutions. The Coordinating Board did not collect this data for community colleges.

Recommendation 21:

The legislature should direct the Coordinating Board to provide a biennial analysis of major sources of revenue and expenditures for each community college district, beginning with the 2003-04 biennium. The format used by the Coordinating Board for reporting data on higher education universities in March 2004 should be used as a template.

Background:

At the request of the Joint Interim Committee on Higher Education in March 2004, the Texas Higher Education Coordinating Board collected data from each institution comparing the cost of attendance versus major sources of financial aid available.

Recommendation 22:

The legislature should direct the Coordinating Board to provide a biennial analysis of the cost of attendance and major sources of financial aid, including grants, loans, scholarships, gifts, federal and state work study, and private sources for each community college district, beginning with the 2003-04 biennium. The format used by the Coordinating Board for reporting data on higher education universities in March 2004 should be used as a template.

Background:

Currently, there is a disconnect between public schools and community colleges and universities. K-16 must become a seamless system for Texas to progress to the levels of educational quality and achievement expected. Therefore, a seamless transfer system is vital to meeting the participation and success goals of *Closing the Gaps by 2015*.

Recommendation 23:

The legislature should direct the Coordinating Board to continue development of field-of-study curricula to allow students to seamlessly transfer course credit from one institution of higher education to another.

Background:

The State of Texas is responsible for providing group health insurance benefits to all employees involved with the educational program at colleges and universities. However, some of the employee group insurance benefits are paid out of General Revenue appropriations, some out of non-General Revenue funds, and others are not funded from state appropriations. During the 78th Legislative session(2003), a proposal was discussed to make the insurance appropriation proportionate to the state share of the educational institution's budget. The legislature also removed physical plant employees from the State's obligation. Additional confusion is added when considering appropriations for retirement benefits.

Recommendation 24:

The legislature should clarify the state's definition of employee for qualification of health insurance benefits in higher education.

Background:

Community colleges in Texas are experiencing unprecedented growth in meeting the goals of *Closing the Gaps*. Appropriations for employee group insurance benefits are based on historical numbers for a biennial period. For institutions that are experiencing the most rapid growth, many of which are community colleges, new teachers and staff are not counted in the historical census until the following biennium. These institutions must pay the cost of salaries and benefits during the interim period, compounding the effect of reductions in state appropriations.

Recommendation 25:

The legislature should review the establishment of a group insurance set aside for community colleges that experience dramatic enrollment growth during the biennium and must therefore fund significant increases in faculty and staff.

INTERIM CHARGE SIX

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

Changes in the funding at institutions of higher education and university systems to maximize the state's limited resources to meet the higher education needs of the state, including incentives for sharing arrangements to improve productivity.

Background:

The State's mechanism of formula funding allocates funds based on the number of semester credit hours, a legislatively determined rate and modifying factor. The modifying factor or formula matrix is based on the program offered and the estimated costs associated with the program.

Over the years, this factor has been modified by the legislature to specifically target certain programs such as nursing. Proposals have been made to move to a matrix that reflects the actual costs to administer a program. Movement to an actual cost matrix though will drastically cut programs the legislature has created over the years.

Recommendation 1:

In its biennial appropriation of formula funding for higher education, the legislature should adopt a matrix with a phase-in period that reflects a blend of the actual cost of the full funding formula with historical funding levels that retain legislative incentives.

Background:

Community Colleges are experiencing dramatic growth in enrollment. They are an integral piece of the state's plan to fulfill the higher education needs of Texas.

Recommendation 2:

The legislature should give priority to the Coordinating Board's 2006-07 recommendation to increase state funding for community colleges by an additional \$279.9 million (from \$1.598 billion to \$1.878 billion), amounting to 60.3 percent of the cost of the full funding formula.

Background:

The Legislative Budget Board met in August 2004 for budget executions. The budget execution item relating to the Texas Excellence Fund and University Research Fund allocates \$23,266,588 to restore fiscal year 2005 funding.

The \$23.3 million represents the total of each fund's \$11,633,294 fiscal year 2005 appropriation.

Institutions still lack the \$10.8 million vetoed for each fund for FY 2004.

Recommendation 3:

The Legislature should restore the FY 2004 vetoed funding of \$10.8 million for both the Texas Excellence Fund and University Research Fund as an emergency appropriations item.

Background:

The authorization and issuance of Tuition Revenue Bonds is not contingent on an appropriation for related debt service, but legislative practice has been to use General Revenue to reimburse institutions for the cost related to debt service. The Tuition Revenue Bond debt service appropriation can only be used for paying related debt service, and lapses at the end of the biennium if not used for that purpose.

Recommendation 4:

The legislature should require that general revenue funding be used to reimburse higher education institutions for the cost related to debt service of all legislatively approved Tuition Revenue Bonds, and thereby honor the commitment made when these bonds were authorized.

Background:

The Legislative Budget Board staff produced a publication prior to the 78th Session of the Legislature that provided descriptive, detailed information on

financing higher education in Texas. This is a valuable tool to members of the legislature in understanding the complex subject of funding for these institutions.

Recommendation 5:

The 79th Legislature should direct the Legislative Budget Board to provide an update to the first edition on the report entitled *Financing Higher Education in Texas - Legislative Primer*, dated January 2003. The section entitled *State Funding for General Academic Institutions of Higher Education*, dated February 2002, should also be updated.

Background:

The tuition deregulation bill passed by the 78th Legislature did not apply to community colleges. These colleges already have complete flexibility regarding tuition and fees, however they do not have authority to set differential tuition, and the fee language authority requires clarification.

Recommendation 6:

The legislature should make changes to the tuition and fee flexibility granted to community college districts to set differential tuition, and should clarify their authority for assessing fees, similar to the authority granted to public universities.

Background:

Currently for dual credit programs, the state pays Average Daily Attendance (ADA) to the public schools and pays the formula rate to community colleges. Colleges can (and most do) charge for tuition, fees and books.¹⁸¹

Recommendation 7:

The legislature should provide funding to encourage dual credit programs that community colleges have with their service area high schools and reimburse the colleges for the cost of tuition, fees and textbooks of qualifying students. Such funding would make these programs more accessible and attractive to colleges and students, and reduce the time between a high school and college degree.

Background:

While most of the community colleges in the state are growing (i.e., they are generating more contact hours), there are some colleges that will experience a decline in contact hour growth.

During the 78th Legislature, 14 community colleges (out of 50) were held harmless at a 10 percent level. Only two of the 14 colleges had a decline in contact hour growth.

The other twelve colleges had contact hour growth. Due to a combination of the nearly 15 percent growth in overall contact hours and a reduction in the appropriation by the Legislature, these colleges were put in a position where even though they were growing and meeting the needs of more students, their state appropriation would have been even less if the hold harmless provision had not been instituted by the legislature.

Recommendation 8:

The legislature should adjust state funding formulas for the 2006-07 biennium so that any public community college that experiences a decrease of more than 10 percent in contact hour funding from one biennium to the next shall be held harmless from the actual dollar loss in excess of 10 percent. The legislature may discontinue such hold-harmless funding to colleges that experience declines in enrollment growth.

Background:

The purpose of the dramatic enrollment growth fund is to provide general revenue funds for institutions of higher education that experience dramatic enrollment growth during the biennium.

Separate appropriations are made to general academic institutions and two-year institutions and different thresholds for dramatic enrollment growth are applied to each sector. General academic institutions receive dramatic enrollment growth funds if enrollment increases 3 percent in the first year of the biennium or 6 percent in the second year of the biennium. The enrollment growth fund for general academic institutions was instituted by the 77th Legislature (2001). Prior to that time, general academics were appropriated an estimated growth amount for each year of the biennium.¹⁸²

Recommendation 9:

The Legislature should take appropriate action to ensure that the Dramatic Enrollment Growth Fund trustee with the Coordinating Board is restored to historic thresholds of appropriations for dramatic enrollment growth.

Background:

The state's appropriation to community colleges is based on the number of contact hours each institution produces during the base year (for the upcoming session: Summer 2004, Fall 2004, and Spring 2005). The small college funding floor provides a minimum state appropriation for the two or three small, rural colleges in the state that do not generate enough contact hours to provide basic instructional support (see chart below). Removal of this floor would likely result in the closure of these institutions that serve students who would otherwise not have access to the opportunity for a higher education.¹⁸³

Summary of Community College Funding Floor¹⁸⁴

Legislature/Biennium	Biennial Amount	Colleges Receiving Floor Appropriation
78th: FY 2004, FY 2005	4,184,374	Clarendon, Ranger
77th: FY 2002, FY 2003	4,636,750	Clarendon, Ranger
76th: FY 2000, FY 2001	4,250,000	Clarendon, Ranger
75th: FY 1998, FY 1999	4,050,000	Clarendon, Frank Phillips, Ranger
74th: FY 1996, FY 1997	4,000,000	Clarendon, Frank Phillips, Ranger
73rd: FY 1994, FY 1995	4,000,000	Clarendon, Frank Phillips, Ranger
72nd: FY 1992, FY 1993	3,252,638	Clarendon, Ranger

Recommendation 10:

The legislature should continue the funding floor for small colleges.

Background:

The Skills Development Fund assists local businesses by designing, financing, and implementing customized job training programs in partnership with the public and community colleges for new or existing jobs. The programs fit the express needs of our Texas businesses. During FY 2003, the Texas Workforce Commission, which administers this fund, awarded 32 grants totaling \$12 million. 164 businesses and 20 business consortiums were served and a commitment was made to create and train 4,214 jobs and retrain just over 8,626 jobs, with an average hourly wage of \$17.16 per hour. The 78th Legislature has appropriated \$25 million to be used during the 2004-05 biennium.¹⁸⁵

Recommendation 11:

The legislature should increase the appropriation (\$25 million for 2004-05 biennium) of the Skills Development Fund for the 2006-2007 biennium.

Background:

STARLINK connects all of the community and technical colleges in the state through its statewide satellite and internet based network.¹⁸⁶

The Virtual College of Texas (VCT) is a consortium of accredited, public Texas community and technical colleges. The mission of VCT is to provide distance learning access to all Texans wherever they may live, regardless of geographic, distance, or time constraints.¹⁸⁷

These programs are currently trusted to the Texas Higher Education Coordinating Board and are combined in a single strategy in the bill pattern.¹⁸⁸

Recommendation 12:

The legislature should continue the funding of STARLINK and the VCT, and appropriate funding directly to the host community college district. This would allow each program a separate-strategy identity and facilitate the pass-through of funds directly to the fiscal agents. The state appropriation request for STARLINK is \$500,000 for the 2006-07 biennium; for VCT, the appropriation request for the 2006-07 biennium is \$1,000,000.

Background:

Texas Grant II provides grants to students attending public two-year institutions and is funded at \$9.7 million for the 2004-05 biennium. Eligibility requirements are a better fit for community colleges than Texas Grant. Additional funding is recommended because the majority of the state's targeted 500,000 additional students in *Closing the Gaps* are expected to begin their college work at community colleges and many will meet eligibility requirements of TG II.¹⁸⁹

Recommendation 13:

The Legislature should increase funding for TEXAS Grant II to meet student financial needs at community colleges.

INTERIM CHARGE SEVEN

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

Accountability measures and performance incentives for institutions of higher education and university systems that are aligned with the purposes of higher education and that are sensitive to mission differentiation among institutions of higher education.

Background:

The increasing importance of higher education has led to substantial interest in accountability mechanisms as a means of improving performance. The majority of institutions of higher education have many mechanisms and reports of their own to monitor and improve institutional performance, including comprehensive accountability reports and reporting systems.

Recommendation 1:

In order to make Texas public higher education institutions more transparent, the legislature should implement a statewide accountability plan to promote excellence through institutional groupings, peers, and benchmarks.

The statewide accountability system should include the following:

- Establishing groupings of institutions of similar types and missions;
- Determining appropriate measures that reflect institutional performance;
- Determining benchmarks against which to measure success;
- Assessing progress annually and taking steps to improve performance; and
- Restricting authority to deregulate tuition for those institutions whose performance is judged unsatisfactory within the accountability system.

Background:

The Texas Higher Education Coordinating Board and the Council of Public University Presidents and Chancellors have been working together to establish benchmarks that apply to all institutions. This collaboration will be completed in December 2004.

Recommendation 2:

The legislature should consider incorporating the benchmarks established by the Coordinating Board and the Council of Public University Presidents and Chancellors in their report to be released in December 2004.

Background:

Texas Higher Education Coordinating Board Commissioner Raymund Paredes testified at a July 2004 Joint Hearing of the Senate Finance Committee and the Senate Subcommittee on Higher Education on Tier I Institutions. Commissioner Paredes concluded that to achieve a level of Tier 1 status that makes sense for Texas, the most important recommendation was to think of Tier 1 status in terms of placing greater emphasis on undergraduate education, defining excellence in a way that is commensurate with state resources. Questions involving the kind of educational experience we want for our students, and whether these students will have access to excellent undergraduate education across the state, locally and regionally, must be addressed, particularly in the context of the *Closing the Gaps* initiative and our goal of enrolling 500,000 more students in higher education by 2015.

Recommendation 3:

The legislature should direct the systems and universities to incorporate into each institutions' individual accountability system methods that place a greater emphasis on improving the accessibility, affordability and excellence of undergraduate education, particularly in compliance with the *Closing the Gaps* initiative and the state's goal of enrolling 500,000 more students in higher education by 2015.

INTERIM CHARGE EIGHT

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

The consolidation or reorganization of university systems' office functions and services, including the consolidation or reorganization of university systems to promote efficiency and productivity.

Background:

There are six higher education systems in the State of Texas:

- **University of Texas System**
- **Texas A&M University System**
- **Texas Tech University System**
- **University of Houston System**
- **University of North Texas System**
- **Texas State University System**

The following information represents an overview of each system compiled from the Joint Interim Committee on Higher Education work group reports on systems (FY 2003) and current information provided on request from each system to committee staff in August 2004:

University of Texas System Report (August 2004):

Components	9 general academic institutions and 6 health related institutions comprised of 4 medical schools, 2 dental schools, and 9 nursing schools. The 6 health related institutions account for about 50 percent of the System's employees, 64 percent of the total operating budget, and 65 percent of the annual research expenditures;
Students	177,956 students;

Employees/FTEs	87,708 employees system-wide; 531.4 total FTE in system administration, 245.9 of which perform general administrative duties, the remainder of which are self-supporting (e.g. employee group insurance) or involved in the administration of the Permanent University Fund, which benefits both the UT and TAMU systems. These numbers do not include UTIMCO, which is a separate 501(c)(3) nonprofit and whose employees are not system employees. UT System also administers the police training academy and the Texas Medical and Dental Schools Application Service for all Texas universities, as well as the Joint Admission Medical Program;
Operating Budget/GR Amount	System-wide (15 system institutions and System Administration) operating budget of approximately \$7.35 billion for FY 2003 and \$7.8 billion for FY 2004, of which approximately \$1.6 billion is from GR appropriations. Of that \$1.6 billion, approximately \$1 million is used for the System Administration. Most of the core administrative functions are supported by the AUF;
System-Wide/ System Admin. Expense	System-wide expenditures in FY 2003 of \$7.35 billion, system administration operating expenditures in FY 2003 of \$29.25 million;
Research Expenditures	\$1.45 billion in research expenditures (85 percent from federal or private funding sources) and \$1.14 billion in un-sponsored charity care;
Assets/ Investments	Manages 24 billion in total assets, including \$14.8 billion in investments under management;
Miscellaneous Information	One of the biggest differences between the UT System and other Texas university systems is the amount of health care delivery and health research conducted. Therefore, measures such as amounts per FTSE misrepresent costs for the UT System since the medical components make up over 60 percent of the FY 2004 operating budget yet have only 7 percent of the FTSEs;
	The UT System has engaged external auditors to provide a full financial audit of its operations for FY 2005;
	Primary missions of the UT System include education, research, public service and patient care. No other system has hospitals, and in-patient and out-patient admissions are important benchmarks for the UT System.

Texas A&M System (August 2004):

Components	10 general academic universities, 1 distributed health science center, and 7 Land-grant research and service agencies;
Students	Enrolls 99,802 degree credit students and more than 1 million non-credit students of the agencies;
Employees/ FTEs	The A&M research and services agencies include 7,342 employees, which constitute 25 percent of the total System institutions' operating budgets, and provide education and service for 13 million Texans annually;
	38,492 employees; 89 FTE employees in system administration;
Operating Budget/ GR Amount	System-wide operating budget of \$2.2 billion for FY 2004, of which approximately \$807 million is from GR support;
System-Wide Expense System- Wide Expense	System Administration operating expenditures in FY 2003 of \$8.5 million, of which \$615,150 was GR; for the A&M System, measures expressed in amounts per FTSE, or FTE employees will not be comparable to other systems' measures. The agencies' students are not reflected in any of the state's data files and no other system has employees comparable to the agencies;
Research Expenditures	\$392 million in research expenditures for FY 2003, including College Station research activity of the land-grant research agencies;
Assets/ Investments	\$4.4 billion in total assets, including \$1.9 billion in investments managed by the Texas A&M System (as reported in FY 2003 AFR);
Miscellaneous Information	The A&M System office maintains a system-wide Budget/Payroll/Personnel system and a system-wide financial accounting, accounts receivable, purchasing, sponsored research, and budgeting and financial reporting; no other system has centralized these services to the extent that the A&M System has;
	In addition to its other duties, the A&M System office administers the Regent's Initiative to support K-16 collaborations with public schools.

University of Houston System (August 2004):

Components	4 general academic institutions and 2 system multi-institutional teaching centers (MITCs);
Students	44,260 full-time equivalent (FTE) students, 56,227 headcount students (Fall 03);
Employees/ FTEs	4,804 FTE employees paid from appropriated funds with 7,254 total employees, 72 FTE System Administration employees;
Operating Budget/ GR Amounts	System-wide operating budget of \$882 million for FY 2004, of which approximately \$274 million is from GR support;
System-Wide/ System Administration Expense	System Administration operating expenditures in FY 2003 of \$3.04 million, including support for central administration, academic coordination, general counsel, audit services, and governmental relations;
Research Expenditures	\$66.7 million in research expenditures at the University of Houston (FY 2003);
Assets/ Investments	\$1.36 billion in system-wide assets, including endowment funds of \$380 million (8/31/03) managed at System Administration;
Miscellaneous Information	<p>The UH System Administration supports the four UH System universities in fulfilling their primary missions: 1) Providing access to and meeting the challenges of educating a diverse mix of non-traditional and traditional students, 2) Promoting excellence within the context of basic and applied research and scholarship, and 3) Identifying and responding to the economic, social and cultural challenges affecting the quality of life in the Houston area, the State of Texas and the world through its education, research, and service. Services are consolidated within the System for the most cost efficient and effective use of resources. In addition, the UHSA provides the UH System Board of Regents with information and advice so that they may set policy and fulfill their fiduciary responsibility to the people of Texas;</p> <p>The University of Houston System has two of the most diverse universities in the nation, reflecting the demographics of the Houston area.</p>

Miscellaneous Information (continued)	Unlike other university systems in Texas, the UH System does not have a separate system administration. Rather, system functions are executed by a senior administration that possesses responsibilities on behalf of the UH System Administration and the University of Houston. The Chancellor of the UH System also serves as President of the University of Houston. Similarly, there are vice chancellors and vice presidents who serve dual roles in different areas.
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Texas Tech University System (August 2004):

Components	1 academic university and 1 health science center;
Students	30,654 students;
Employees/ FTEs	10,853 employees; 244.7 FTE employees in system administration, including system-wide centralized fund raising and police services. These two functions are not managed centrally by any other system and are 50 percent of the FTE employees on the Texas Tech System offices;
Operating Budget/ GR Amount	System-wide operating budget of \$891.4 million for FY 2004, of which approximately \$191.6 million is from GR support;
System-Wide/ System Admin. Expense	System Administration operating expenditures in FY 2003 of \$17.5 million, system-wide expenditures in FY 2003 of \$799.2 million;
Research Expenditures	\$65.7 million in research expenditures and \$63.8 million in un-sponsored charity care;
Assets/ Investments	Manages \$1.65 billion in total assets, including \$333.7 million in investments;
Miscellaneous Information	Texas Tech University System has recently completed and presented to the Board of Regents a study on accountability. This study conducted by Accenture identified cost efficiencies to-date and issues that should be considered for future improvements in the business functions;
	The Five Point Strategic Plan of Texas Tech University System includes growth, diversity, people, partnerships, and recognition. The system-wide strategic plan and accountability system incorporates an integrated set of benchmarks and performance measures tied to specific goals for the Texas Tech University System.

University of North Texas System (August 2004):

Components	The University of North Texas System is comprised of the University of North Texas, a general academic institution, the University of North Texas System Center at Dallas (a system center progressing toward becoming a free standing University) and the University of North Texas Health Science Center, a health related institution comprised of the School of Public Health, the Texas College of Osteopathic Medicine and the Graduate School of Biomedical Sciences;
Students	Total FY 2003 enrollment of 26,847 FTSE within the system;
Employees/ FTEs	FY 2003: 8,268 employees; 5,362.2 FTE within the system;
Operating Budget/ GR Amount	All-Funds Budget of \$436 million; GR appropriations of \$14.6 million;
System- Wide/ System Administration Expense	System Administration expenditures for FY 2003 were \$3.732 million for general administration including executive management (chancellor and staff), legal services, audit services, governmental relations, finance, and other administrative services provided to the institutions. The figure rises to \$5.039 million when staff benefits paid by other agencies, depreciation on a new administrative computing system, and self supporting activities (facilities planning and construction) are included;
	System-wide FY 2003 expenditures were \$431.89 million of which \$161.69 million is general revenue;
Research Expenditures	Research expenditures in FY 2003 were \$26.897 million;
Assets/ Investments	Reported \$712.31 million in total assets for FY 2003, including investments in the amount of \$282.04 million;
Miscellaneous Information	The UNTHSSC, the health related institution, accounts for about 24 percent of the FY 2003 expenditures, about 15 percent of the employees and 45 percent of total research expenditures; As the only university system with a primary mission to serve the North Texas region, the state's largest population center, the UNT System is a key partner in the State of

Miscellaneous Information (continued)	Texas' future. Boosting the North Texas economy by nearly \$1.5 billion annually, the UNT System awards more than 5,300 degrees each year, including the largest number of masters and doctoral degrees in the region. More than 100,000 alumni live and work in the North Texas region.
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Texas State University System (August 2004):

Components	The Texas State University System serves 5 general academic institutions, 1 upper division institution, 2 community colleges, and 1 institute of technology;
Students	Total FY 2004 (Fall 2003) enrollment of 66,100 students;
Employees/FTEs	Nearly 13,000 employees (full and part time, 8,050 FTEs); thirteen employees (12.6 FTEs) in system administration, providing system-wide coordination and leadership;
Operating Budget/ GR Amount	System-wide operating budget of approximately \$678,000 for FY 2004, of which approximately \$363,000 is from GR, Dedicated GR and other E&G sources;
System-Wide/ System Administration Expense	System Administration operating expenditures in FY 2003 of \$3.0 million, system-wide operating expenditures in FY 2003 of \$636.0 million;
Research Expenditures	The TSUS components expended \$17.4 million in research activities in FY 2003, primarily from federal and foundation funds;
Assets/ Investments	Reported \$1.4 billion in total assets as of 8/31/03, including cash equivalents of \$318 million, \$140 million in long-term investments and \$1.9 million in short-term investments;
Miscellaneous Information	The TSUS Foundation campus housing projects valued at more than \$115 million are currently operational and two more such projects will be available for the upcoming fall semester; The System Administrative staff provides support and assistance to its Regents, its component administrations, its students, and other state agencies in the following areas: legal, academic and financial affairs, construction and facilities planning, internal auditing coordination, risk management and other system-wide initiatives;

Miscellaneous Information (continued)	The primary mission of the TSUS System is to provide broad undergraduate educational opportunities as well as specialized graduate programs through Ph.D. level in selected areas, while also providing community-public service and support, advanced credentialing, technical training, associate degree and certificate preparation, and collaborative partnerships with other agencies and research.
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Texas State Technical College System (August 2004):

Components	The Texas State Technical College System includes 4 colleges and 7 campuses across the state: TSTC Harlingen, TSTC Marshall, TSTC Waco, and TSTC West Texas, which has locations in Abilene, Breckenridge, Brownwood, and Sweetwater. To minimize expenditures, the System Office is housed on the campus of TSTC Waco;
Students	TSTC served approximately 24,250 students in FY 2004;
Employees/ FTEs	TSTC had 1,229.4 FTE employees in FY 2004 (all funds). Of these, 30.6 were employed at the System Office, which represents 2.4 percent of the total;
Operating Budget/ GR Amount	System-wide operating budget of \$147.7 million (all funds) for FY 2004, of which approximately \$55 million was from GR. The System Office budget was \$4.8 million, of which \$3 million was from GR;
System-Wide/ System Administration Expense	TSTC's System-wide operating expenditures in FY 2003 of \$156 million (all funds), System Office expenditures in FY 2003 were \$4.3 million (2.7 percent);
Assets/ Investments	TSTC manages \$102 million in total assets, of which \$31.7 million is cash and investments;
Miscellaneous Information	TSTC's primary mission is technical education.

Background:

On July 19, 2004, Texas Higher Education Coordinating Board Commissioner Raymund Paredes testified before a Joint Hearing of the Senate Finance Committee and the Senate Subcommittee on Higher Education on Tier I Institutions. Commissioner Paredes, who spent 30 years as a professor and administrator at UCLA, was asked to talk about the California higher education system. To summarize this discussion:

- The California System is highly segmented and organized into tiers;
- The top tier is the University of California System, which consists of 9 campuses, including 8 general campuses. UC only admits undergraduate students in the top 12.5 percent of their high school graduating classes according to *statewide criteria*. UC is the *only* public institution that grants doctoral degrees;
- Underneath the UC System is the California State University System, which is more than twice as large and has approximately 24 campuses. To be eligible for admission, students have to be in the top 33.3 percent of their high school graduating class. The CSU System is responsible for the bulk of undergraduate and professional training;
- Underneath both systems is the Community College System, which has approximately 112 institutions with open admission. Every community college is mandated to transfer students to both the UC and the CSU System. By state statute, UC is required to have between 35-40 percent of all upper division students as having transferred from California community colleges;
- There is a degree of articulation coordination between four-year institutions and two-year institutions which is highly effective.

Recommendation 1:

The legislature should direct the Coordinating Board to study the consolidation and/or reorganization of university systems, their component universities, research institutions and agencies, the independent universities, and the community and technical colleges of higher education in Texas to determine if other models would better serve the State of Texas, and improve opportunities for residents of all areas to enroll in and complete programs of higher education, and better align the system with the goals of the state's master plan of *Closing the Gaps in Participation by 2015*. This report should be delivered by September 1, 2006.

Background:

Because of economies of scale and other efficiencies, administrative cost of many duties and services at a system level are relatively low. System administration can provide a wide range of centralized, cost-effective, and value added services in areas such as accounting, compliance, development, distance education, risk management, facilities planning and construction, and many others. At the same time, the institutions within the systems maintain diverse missions to meet the unique needs and circumstances of its students. The system adapts and evolves to meet the needs of its institutions.

There are four state supported independent institutions of higher education in Texas: Texas Woman's University, Stephen F. Austin State University, Texas Southern University, and Midwestern State University. Another institution, the Texas State Technical College System, is comprised of 4 colleges and 3 extension centers throughout Texas, offering a technical-vocational education. This System is unique in that the state considers it a single agency which reports in the aggregate.

Recommendation 2:

The legislature should direct the systems and the state supported independent institutions to work with the Coordinating Board and Legislative Budget Board to study the full impact of moving these universities into one of the systems. This study should weigh the advantages and disadvantages of such restructuring on the students, the institutions and the systems involved. This report should be delivered by September 1, 2006.

Background:

In part to respond to the state-wide objective of measuring accountability in the system of higher education in Texas, the University of Texas System has prepared an accountability and institutional improvement report, *The Accountability and Performance Report for 2003-04*, that presents a comprehensive statistical portrait on the system and its 15 campuses. The report analyzes how well the UT System and member institutions are carrying out their responsibilities. The report defines accountability as "taking responsibility for and measuring the effectiveness of what you do" and further states that "a good accountability system clearly defines an organization's mission, goals, priorities, initiatives, where it intends to add value, and lays out measures or indicators of progress toward those goals."

Recommendation 3:

The legislature should require that system offices direct and assist component institutions to coordinate collaborative functions and to continue to study and develop economies of scale and other cost saving initiatives and incentives in order to eliminate duplication and overlap of administrative, operational or reporting responsibilities or controls, and the corresponding expenditures. Systems should record findings and report to the legislature by January 2006.

INTERIM CHARGE NINE

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

Potential reductions in personnel and other cost savings.

Background:

Exemption programs allow Texas residents to enroll while paying reduced tuition and fee charges. Program values range from three hours' tuition to a student's lifetime of free tuition and fees. In Fiscal Year 2003, 76,900 students received awards through the state's exemption programs. These exemptions totaled \$34.4 million in forgone tuition and/or fee charges.¹⁹⁰

Waiver programs allow nonresidents to enroll in Texas institutions while paying the resident tuition rate. In Fiscal Year 2003, 50,577 students received awards through the state's waiver programs. These waivers totaled \$162 million in foregone tuition.¹⁹¹

Further study is necessary to determine recommendations for aligning exemption and waiver programs with participation and success goals of *Closing the Gaps by 2015* and making them more consistent, coherent, and cost-effective.

Recommendation 1:

The Legislature should direct the Coordinating Board to appoint an advisory committee of representatives from the Texas Association of Registrars, Admissions Officers; Texas Association of Black Personnel in Higher Education; Texas Association of Chicanos in Higher Education; and The Texas Association of Student Financial Aid Administrators to conduct further studies to determine recommendations for aligning exemption and waiver programs with participation and success goals of *Closing the Gaps by 2015* and making them more consistent and cost-effective.

Background:

The Texas Tech University System commissioned a Cost Saving, Efficiency, and Revenue Enhancement Study by Accenture, to identify additional cost savings, efficiencies and revenue enhancements that can be applied to the academic missions of the component institutions. This study was completed in 2004, and represents additional efforts to provide quality services in an effective and efficient manner to students, parents, the legislature, executive branch and the general public.

Recommendation 2:

The legislature should direct the Coordinating Board to coordinate and consolidate the scope of reporting by systems and universities so as to utilize the millions of dollars spent in a more efficient and effective manner.

Background:

University systems and their component institutions, independent universities and state colleges, and community and technical colleges, spend hundreds of millions of dollars annually in information technology (IT) departments, using multiple suppliers. Some Universities in other states have realized efficiency gains from consolidating their IT functions.

The University of Miami recently reached an agreement with a *sole provider* for all of its departments' IT spending, consolidating a \$60 million technology budget with one supplier, with an estimated savings of \$2 million per year. The agreement does not prohibit faculty and students from buying and using other PC makers' products, but the school's IT department will offer outside support and maintenance only to one agreed-upon supplier, displacing three or four other competitors.¹⁹²

This agreement could indicate a trend in the large institutions of higher education to consolidate university-wide purchases and use this model to gain some of the benefits that are only available to corporations. Since many universities either require or recommend that students have a computer for school, and many offer discounts on particular brands of computers, especially if bought directly from the school, this one-shop, low cost model facilitates an important conduit between PC companies and students, allowing the institutions to collect the commissions and premiums. This also helps the universities shift some of their technology costs to the students; the more computers in students' hands, the fewer the school has to provide in classrooms and labs.¹⁹³

Recommendation 3:

The Legislature should require that the institutions of higher education in Texas, individually or through system offices or related associations, conduct a study or bid-process to explore the possibility of using a one-supplier model of purchasing to consolidate and reduce spending, specifically in IT departments, but also in other areas of major expenditure. This study should include a review of how Historically Under-utilized Businesses would be utilized under such a model. Institutions should report findings to the Legislature by January 2006.

Background:

At the request on the Joint Interim Committee on Higher Education in August 2004, the Coordinating Board collected information from each of the higher education systems in Texas, detailing system-administrative cost among its components by function, type and amount of expense, FTEs and FTSEs. The systems also submitted written information describing their mission with organizational and operational background.

Recommendation 4:

The 79th Legislature should continue to work with the Coordinating Board, the Legislative Budget Board and the system offices for updated biennial information on the cost and function of all aspects of system administrative expense.

Background:

The University of Texas at Austin and Texas A&M University have been ordered by the Legislative Budget Board to conduct an independent audit of their institutions' financial operations. The Board ordered LBB to develop a work plan for institutions of higher education, specifically reviews of the University of Texas at Austin and Texas A&M, which were projected to cost \$500,000 each. These audits were ordered for the two flagship universities, UT Austin and Texas A&M, and are not for their respective system-wide institutions or for their System operations.¹⁹⁴

Recommendation 5:

The Legislature should evaluate requiring that systems and universities conduct an internal or independent audit of their financial statements on a biennial or quadrennial basis and to report such results to the Legislature.

As a part of this evaluation, the Legislature should weigh the potential benefits of a financial audit against the costs measured in funds and institutional resources of the university and/or system to accomplish such an effort.

INTERIM CHARGE TEN

In 2003, following the 78th Regular Legislative Session, the Joint Interim Committee on Higher Education was charged with identifying opportunities for legislative and administrative action relating to:

Deregulating seminaries and similar institutions offering exclusively religious education or training.

Background:

For consumer protection purposes, Subchapter G of Chapter 61 was added to the Texas Education Code. This was in the 1970s and the purpose was to drive degree mills out of Texas.

Moving toward a statute that would make institutions offering religious education exempt from the authority of the Coordinating Board to grant degrees could potentially result in P.O. Boxes, etc., selling degrees.

The Coordinating Board in correlation with other interested parties are currently looking for a way to solve the problem of seminaries and also provide modest consumer protection, i.e., that they are getting a real education.

Recommendations:

The Coordinating Board is jointly working with other interested parties on acceptable language for recommendations to the legislature. Therefore, the Joint Interim Committee on Higher Education has no recommendation at this time.

Appendices

Appendix A

Closing the Gaps by 2015: 2004 Progress Report

**Texas Higher Education Coordinating Board
July 2004**

The Texas Higher Education Coordinating Board

Board Member	Term	Hometown
Mr. Jerry Farrington, <i>Chairman</i>	2001-2007	Dallas
Mr. Robert W. Shepard, <i>Vice Chairman</i>	1997-2009	Harlingen
Ms. Cathy Obriotti Green, <i>Secretary of the Board</i>	1999-2005	San Antonio
Mr. Neal W. Adams	2001-2007	Bedford
Dr. Ricardo G. Cigarroa MD	1999-2005	Laredo
Mr. Gerry Griffin	1999-2005	Hunt
Mr. Carey Hobbs	1999-2005	Waco
Ms. Lorraine Perryman	2001-2007	Odessa
Mr. Curtis E. Ransom	2001-2007	Dallas
Dr. Hector de J. Ruiz PhD	1999-2005	Austin
Mr. Terdema L. Ussery II	1999-2005	Dallas

Mission of the Coordinating Board

The Texas Higher Education Coordinating Board's mission is to work with the Legislature, Governor, governing boards, higher education institutions and other entities to provide the people of Texas the widest access to higher education of the highest quality in the most efficient manner.

Philosophy of the Coordinating Board

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies. The Coordinating Board will engage in actions that add value to Texas and to higher education. The agency will avoid efforts that do not add value or that are duplicated by other entities.

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***This report is available at the Texas Higher Education Coordinating Board's web site:
www.thecb.state.tx.usreports/pdf/0740.pdf**

Overview

Closing the Gaps by 2015 was adopted in October 2000 by the Texas Higher Education Coordinating Board with strong support of the state's educational, business, and political communities. The plan, which is directed at closing educational gaps within Texas, as well as between Texas and other states, has four goals: to close the gaps in student participation, student success, excellence, and research. Each goal in the plan includes strategies, as well as intermediate targets (Appendix A) for assessing progress toward the goals.

This report is the third annual summary of the state's progress – from 2000 through 2003 -- toward meeting the targets established for 2005, on the way toward meeting the plan's goals for 2015.

In addition to the targets established in the plan, the state's higher education institutions were asked to submit their own performance targets. These institutional targets were used to determine regional targets for the state. In May 2004, all public institutions were invited to review and revise their targets. Those revisions are included in this report. Some institutions elected not to revise their targets, however.

Recognizing the close ties between higher education and secondary education, data regarding recent high school graduates and their participation in higher education is included in this report (Appendix B).

Data for independent colleges and universities and career schools and colleges is not reported individually, but those institutions play a significant role in helping the state achieve the goals of the plan.

Many of the strategies to help the state reach the *Closing the Gaps by 2015* goals were developed or implemented only recently, and their potential has not yet been met. For example, new degree programs approved in recent years have not produced their first graduates. These programs will produce graduates later in the life of the plan.

Progress through 2003 is summarized as follows:

Participation: In 2003, student enrollment exceeded the plan's 2005 intermediate targets for total enrollment, as well as for Black and White enrollment. Hispanic enrollment is increasing, but below the rate needed to meet its 2005 target.

Success: The number of degrees and certificates awarded is on track to meet 2005 targets.

Excellence: All public institutions have identified at least one targeted area of excellence and most have provided at least one type of current national recognition. Many institutions across the nation are increasing their efforts to secure top national rankings, making it difficult for Texas institutions to move ahead of them. Texas institutions must enhance efforts to achieve this goal.

Research: Texas institutions have made significant progress in obtaining federal funds and have surpassed the plan's intermediate target, which was set for 2007 for this goal.

Goal 1. Close the Gaps in Participation – By 2015, close the gaps in participation rates across Texas to add 500,000 more students.

Progress Toward 2005 Participation Targets

Annual Enrollment (Public and Independent Institutions)	Fall 2000	Fall 2003	Increase from 2000 to 2003	Increase to Reach 2005 Targets ¹ (Target less Fall 2000)	2005 Target	Percent of Targeted Increase for 2005 Achieved
Total	1,019,879	1,176,937	157,058	149,121	1,169,000 ¹	105.3%
Black	108,463	132,211	23,748	23,537	132,000 ¹	100.9%
Hispanic	237,394	291,959	54,565	102,606	340,000 ¹	53.2%
White	570,042	626,201	56,159	20,958	591,000 ¹	268%

¹ The plan's original 2005 targets were updated to reflect more recent demographic projections by the State Data Center. The original targets called for increasing total enrollment by 150,000 students over fall 2000 levels, while increasing Black enrollment by 22,200 students, Hispanic enrollment by 101,600 students, and White enrollment by 24,100 students.

Analysis:

- The 157,058-student growth in enrollment from fall 2000 to fall 2003 represents the largest three-year enrollment increase in the history of Texas higher education.
- The percentage of high school graduates who immediately enter college remains relatively unchanged (Appendix B). (The increase in the number of students entering college immediately after college is a result of the increasing number of high school graduates.) The Recommended High School Program (RHSP), a college-preparatory curriculum, becomes effective for all public high school students in fall 2004. Many public schools converted to the RHSP in advance of the statutorily established deadline.
- White and Black student participation targets for 2005 have been met. White participation increased dramatically, a trend which helps the state achieve the overall participation rate, but masks the shortfall in Hispanic enrollment growth.
- Hispanic enrollment from fall 2000 to fall 2003 increased by 54,565 students, averaging 18,188 more Hispanic students annually. However, an average annual increase of 23,520 Hispanic students is needed to meet the 2005 enrollment target for that group.

Progress toward the 2005 participation target – Conclusion:

Although 2005 targets have been reached for total enrollment and for Black and White enrollment, Hispanic enrollment is not yet on track. Texas must increase Hispanic college enrollment by an additional 48,041 students to reach the 2005 target for that group.

In addition, the percentage of recent high school graduates who enter college is not increasing, suggesting a need to enhance efforts to encourage them to prepare for and succeed in college.

Goal 2. Close the Gaps in Success – By 2015, increase by 50 percent the number of degrees, certificates, and other identifiable student successes from high quality programs.

Progress Toward 2005 Success Targets

Type of Success ¹ (Public Institutions)	FY 2000	FY 2003	Increase from 2000 to 2003	Increase to Reach 2005 Targets (Target less Fall 2000)	2005 Target	Percent of Targeted Increase for 2005 Achieved
Certificates, Associate's and Bachelor's Degrees ²	116,253	132,221	15,968	17,747	134,000	90%
Associate's Degrees ²	25,509	30,492	4,983	2,491	28,000	200%
Bachelor's Degrees ²	74,920	81,134	6,214	12,580	87,500	49.4%
Doctoral Degrees ²	2,621	2,577	(44)	179	2,800	(0.25)%
Certificates, Associate's and Bachelor's Degrees (Blacks) ²	11,217	13,425	2,208	1,783	13,000	123.8%
Certificates, Associate's and Bachelor's Degrees (Hispanics) ²	23,369	28,794	5,425	7,631	31,000	71.1%
Technology-Related Degrees	12,411	14,577	2,166	6,589	19,000	32.9%
Allied Health and Nursing Degrees ³	13,644	13,734	90	NA	13,500	102%
Teachers Certified ^{4, 5}	11,529	20,528	8,999	7,471	19,000	120.5%

¹Identifiable successes other than with degrees and certificates are summarized in the Success Appendix with a summary of workforce education performance.

²The plan's originally published success targets have been updated to include data from independent institutions.

³The 2005 target called for maintaining 2000 levels to reverse a long-term decline in these degrees.

⁴Annual figures include data for all new teacher certificates, including those obtained through alternative certification.

⁵Math and science teachers are also targeted in the plan; unfortunately data is not available at this time.

Analysis:

- The number of academic credentials (certificates, associate's and bachelor's degrees) awarded increased by 7,389 between FY 2002 and FY 2003, a significant change from the first year-to-year period (FY 2000 to FY 2001), when the number increased by only 396 awards. However, the most recent annual increase is not as high as the 8,187-award increase from FY 2001 to 2002. The state should exceed this *Closing the Gaps* success target for 2005.
- Bachelor's degrees account for 38.9 percent of the increase in awards (bachelor's and associate's degrees and certificates) from FY 2000 to 2003.
- Texas has exceeded the 2005 target for associate's degrees. The number of associate's degrees awarded increased by 2,797 from FY 2002 to FY 2003, well beyond the 158-associate's degree increase from FY 2000 to FY 2001, the first year of the plan.
- The number of certificates and undergraduate degrees awarded to Blacks and Hispanics increased significantly and has exceeded (awards to Blacks) or is on track to meet (awards to Hispanics) the 2005 target.
- Texas higher education institutions expect to award 139,040 degrees and certificates annually by 2005, based on the institutional targets that each institution established. If achieved, the state would exceed the 2005 intermediate target for this measure – 134,000 awards – by 104 percent.
- The number of doctoral degrees awarded increased slightly each year after falling from a high in 2000. The increases may not be enough to meet the 2005 target.
- Technology-related awards have increased by 2,160 each year on average, a trend which continued should satisfy the 2005 intermediate target.
- Health-related awards in 2003 exceeded the 2005 target. A large portion of these awards were earned by two-year college students.
- Teacher preparation has changed tremendously. According to the State Board of Educator Certification, in 2000, 70 percent of beginning teachers were prepared in traditional undergraduate programs. By 2003, traditionally prepared teachers (from universities) represented 46 percent of beginning teachers, with 34 percent of the teachers from alternative certification programs and the remaining 19 percent of the teachers from post-baccalaureate programs.

Progress toward the 2005 success target – Conclusion:

The state continues to award more degrees and certificates to Black and Hispanic students.

Six-year graduation rates for university students slowly increased over the past decade, but remain relatively low, at 52 percent statewide. Although not specifically identified in the Plan, the time that students take to earn degrees should be reduced, particularly among Black and Hispanic students, who tend to take much more time to earn a degree.

Goal 3. Close the Gaps in Excellence – By 2015, substantially increase the number of nationally recognized programs or services at colleges and universities.

Progress Toward 2005 Excellence Targets

Increase the number of....	2000	2003	2010 ¹
Research institutions ranked in the top 10	0	0	1
Public research universities in the top 10	0	0	2
Public liberal arts universities ranked in the top 30	0	0	2
Health Science Centers ranked among the top 10	0	0	1
¹ <i>Closing the Gaps by 2015</i> identifies only one intermediate excellence target – for 2010.			

Analysis:

- All Texas public higher education institutions have identified at least one program to develop for national recognition (Appendix E). All but six public institutions have also identified at least one type of national recognition that they have received recently (available at <http://www.thecb.state.tx.us/ClosingTheGaps/>). The list of recognitions continues to increase, with notable awards to faculty and for institutional accomplishments.
- Texas Southern University and Texas A&M University-Prairie View continue satisfactory progress related to benchmarks established in *The Priority Plan to Strengthen Education* at those institutions
- In the absence of a national ranking system for community and technical colleges, the Coordinating Board will work with the colleges to develop guidelines to assist them in meeting the intent of the excellence goal.

Progress toward the 2005 excellence target – Conclusion:

Texas public and independent higher education institutions are home to approximately 100 programs identified among the “Top 10” in various categories of the *U.S. News & World Report* national rankings. In addition, the state’s public and independent institutions consistently appear in a variety of education-related rankings, and their faculty are recognized as recipients of the National Science Foundation’s Medal of Science and Medal of Technology. Increased competition across the nation for top-ranked standings in the various comparison ranking systems will require Texas’ institutions to diligently pursue improvement in this target area. Achieving excellence requires continued, sustained effort in areas targeted for excellence. Progress toward the 2010 and 2015 targets identified in *Closing the Gaps* is difficult to measure this early in the 15-year life of the plan.

Goal 4. Close the Gaps in Research – By 2015, increase the level of federal science and engineering research funding to Texas institutions by 50 percent to \$1.3 billion.

**Progress Toward 2005 Research Targets
Federal Research and Development Dollars**

Increase funding to Texas universities and health-related institutions ¹	FY 1998	FY 2002 (constant 1998 dollars)	Increase from FY 1998 to FY 2002	Increase to Reach 2007 Targets (Target less FY 1998)	2007 Target ²	Percent of Targeted Increase for 2007 Achieved
In federal research and development dollars	\$846 million	\$1.3 billion	\$454 million	\$154 million	\$1 billion	295%

¹Figures are provided by the National Science Foundation.

²*Closing the Gaps by 2015* provides only an intermediate target for 2007.

**Progress Toward 2005 Research Targets
Research Expenditures**

Increase funding to Texas universities and health-related institutions ¹	FY 1999	FY 2003	Increase from FY 1999 to FY 2003	Increase to Reach 2007 Targets (Target less FY 1999)	2007 Target ²	Percent of Targeted Increase for 2007 Achieved
Total research and development dollars	\$1.45 billion	\$2.17 billion	\$72 million	\$75 million	\$2.2 billion	96%

¹Figures are provided by the National Science Foundation.

²*Closing the Gaps by 2015* provides only an intermediate target for 2007. The target represents an increase of 5 percent per year

Analysis:

- Texas institutions of higher education ranked 5th (a drop from 3rd) in federal obligations for science and engineering after California, New York, Pennsylvania and Maryland. In federal obligations for research and development in science and engineering after California, New York, Pennsylvania and Maryland. (Pennsylvania and Maryland both moved ahead of Texas.)
- Federal science and engineering obligations in Texas increased by 1.2 percent between Fiscal Year 2001 and 2002, as compared to 3.9 percent in California, 7.4 percent in Pennsylvania and 10.1 percent in Maryland (in 1998 constant dollars).

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

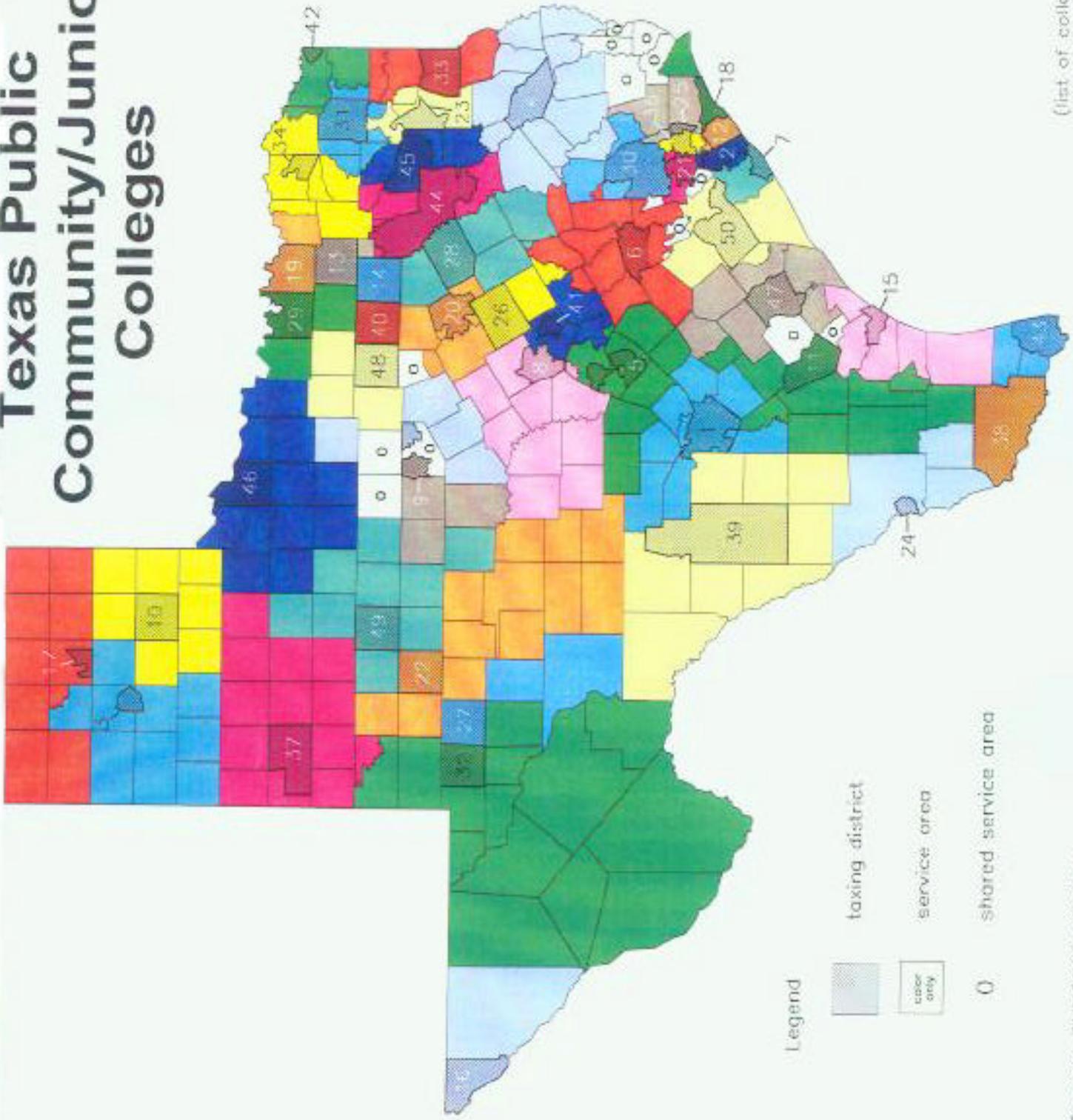
- Total reported research expenditures increased 6 percent over Fiscal Year 2002. Research expenditures in Fiscal Year 2003 were \$2,174,191,894, in Fiscal Year 2002, the total was \$2,050,239,839. Total research expenditures increased by 91.3 percent since Fiscal Year 1993.
- The federal government provided 56.1 percent of the research funds expended, an increase from 55.7 percent in Fiscal Year 2002.
- The National Institute of Health provides 59 percent of the federal research support for science and engineering to Texas higher education institutions.

Progress toward the 2005 research target – Conclusion:

Texas institutions have made significant progress in obtaining federal funds and are well positioned to surpass the plan's 2007 intermediate target. Because of the delay in the availability of research funding data from the federal government, the Coordinating Board did not have current data when *Closing the Gaps by 2015* was developed in 2000. Data for that period is now available, and it indicates that more federal research dollars were flowing to Texas at that time.

Appendix B

Texas Public Community/Junior Colleges



(list of colleges on reverse side)

Source: THECB 02/2004

List of Texas Public Community/Junior Colleges

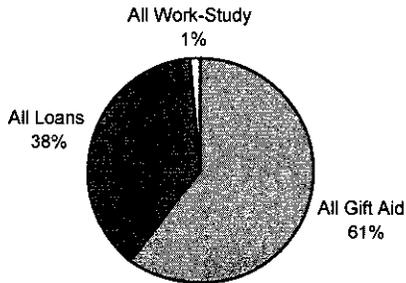
1	Alamo Community College
2	Alvin Community College
3	Amarillo College
4	Angelina College
5	Austin Community College
6	Blinn College
7	Brazosport College
8	Central Texas College
9	Cisco Junior College
10	Clarendon College
11	Coastal Bend College
12	College of the Mainland
13	Collin County Community College
14	Dallas County Community College
15	Del Mar College
16	El Paso Community College
17	Frank Phillips College
18	Galveston College
19	Grayson County College
20	Hill College
21	Houston Community College
22	Howard College
23	Kilgore College
24	Laredo Community College
25	Lee College
26	McLennan Community College
27	Midland College
28	Navarro College
29	NorthCentral Texas College
30	North Harris Montgomery Community College
31	Northeast Texas Community College
32	Odessa College
33	Panola College
34	Paris Junior College
35	Ranger College
36	San Jacinto College
37	South Plains College
38	South Texas Community College
39	Southwest Texas Junior College
40	Tarrant County College
41	Temple College
42	Texarkana College
43	Texas Southwest College
44	Trinity Valley Community College
45	Tyler Junior College
46	Vernon Regional Junior College
47	Victoria College, The
48	Weatherford College
49	Western Texas College
50	Wharton County Junior College

Appendix C

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

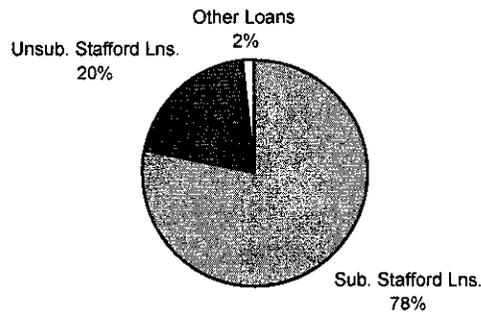
Angelo State University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$14,570,914)



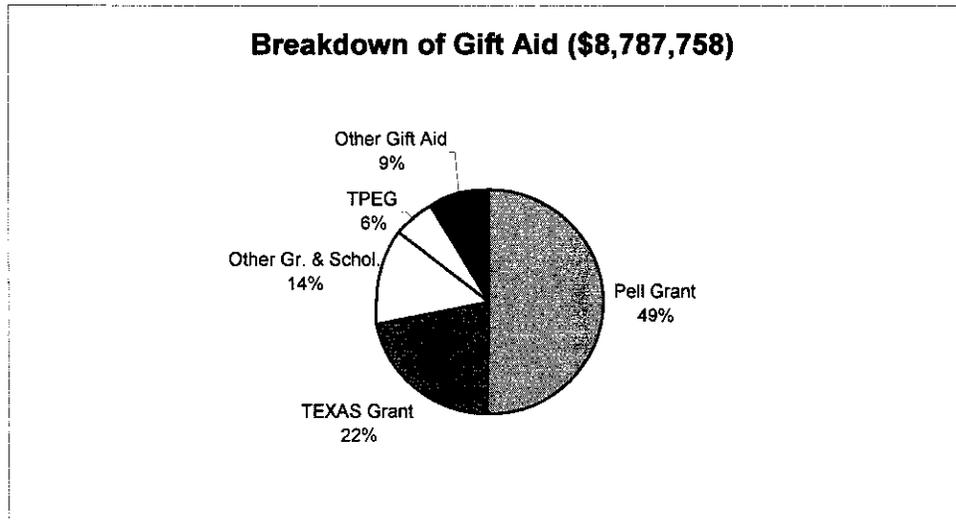
All Gift Aid	2,140	\$8,787,758
All Loans	1,276	\$5,591,281
All Work-Study	95	\$191,875
All Funds*	2,164	\$14,570,914

Breakdown of Loans (\$5,591,281)

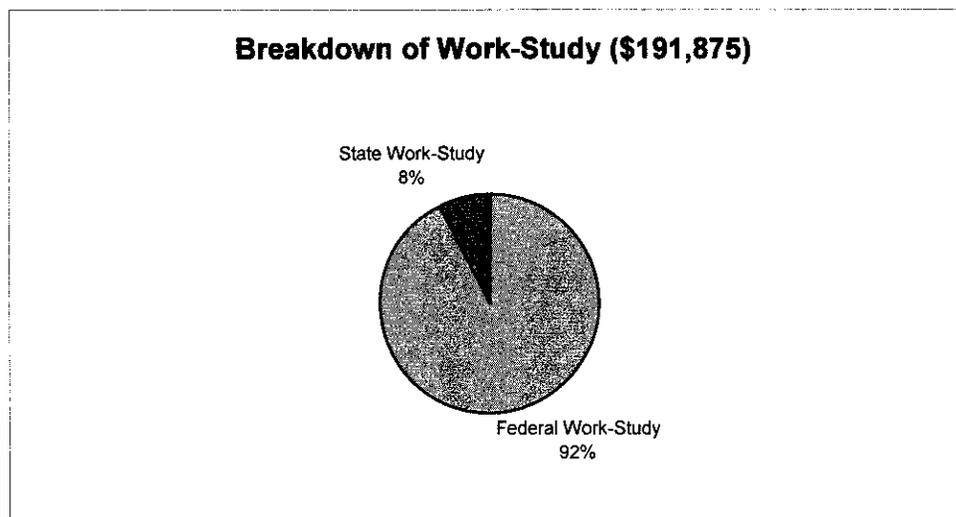


Subsidized Stafford Loans	1,235	\$4,361,187	Other Loans		
Unsubsidized Stafford Loans	395	\$1,131,176	Perkins Loans	18	\$70,100
Other Loans	31	\$98,918	PLUS Loans	7	\$14,838
Total Loans*	1,276	\$5,591,281	College Access Loans	4	\$7,980
			Other Long-Term Loans	2	\$6,000
			Other Loans	31	\$98,918

Angelo State University, con't.



Pell Grant	1,625	\$4,390,110	Other Gift Aid		
TEXAS Grant	700	\$1,934,343	Supplemental Ed. Oppty. Grants	440	\$303,033
Other Grants & Scholarships	559	\$1,196,950	Categorical Aid	63	\$222,796
Other Gift Aid	659	\$754,123	Exemptions & Waivers	57	\$114,863
TX Pub. Educational Grant (TPEG)	776	\$512,232	Student Deposit Scholarships	49	\$46,499
Total Grants and Scholarships*	2,140	\$8,787,758	Teach for Texas Cond. Grant	6	\$33,332
			Pub.Stu. Incentive Gr/LEAP	30	\$22,175
			Byrd Scholarship	3	\$4,500
			Nursing Scholarship	2	\$4,500
			Special Leveraging Asst. Grant	9	\$2,425
			Other Gift Aid	659	\$754,123

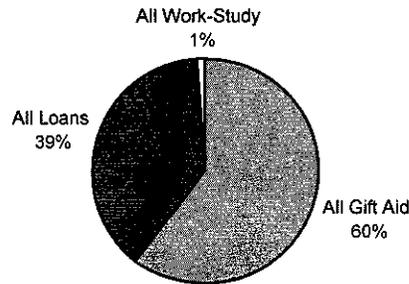


Federal Work-Study	95	\$177,453
State Work-Study	12	\$14,422
Total Work-Study*	95	\$191,875

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

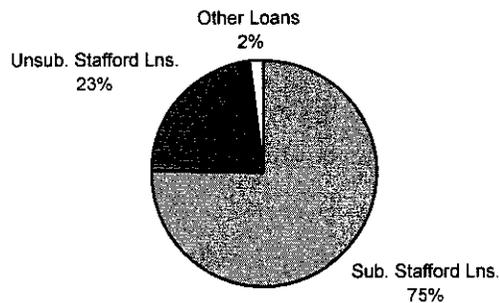
Lamar University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$18,159,292)



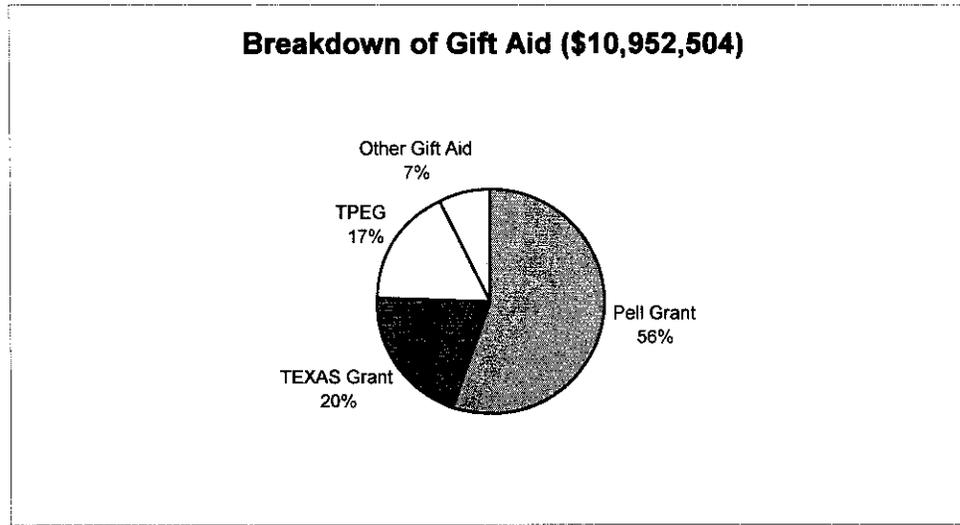
All Gift Aid	2,908	\$10,952,504
All Loans	1,770	\$7,015,680
All Work-Study	102	\$191,108
All Funds*	3,289	\$18,159,292

Breakdown of Loans (\$7,015,680)

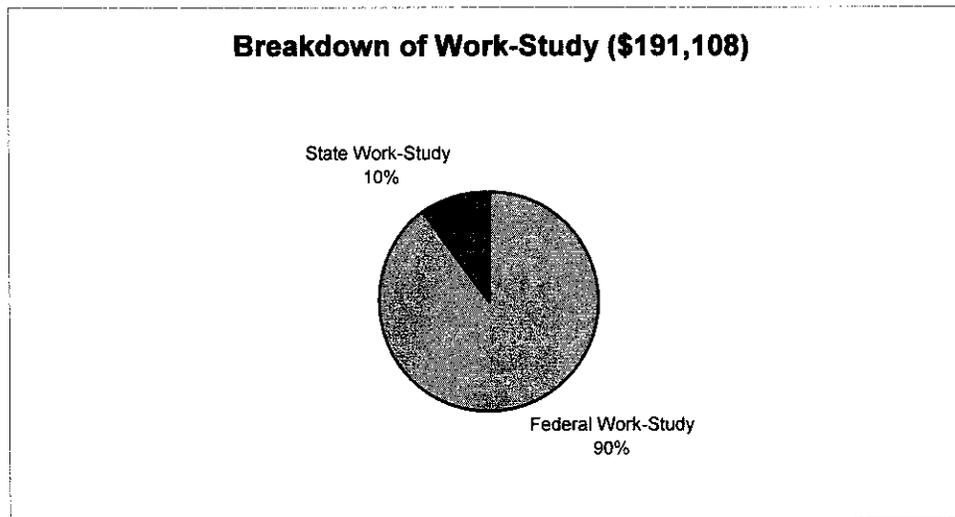


Subsidized Stafford Loans	1,693	\$5,278,462	Other Loans		
Unsubsidized Stafford Loans	643	\$1,603,072	PLUS Loans	29	\$125,310
Other Loans	35	\$134,146	Other Long-term Loans	6	\$8,836
Total Loans	1,770	\$7,015,680	Other Loans	35	\$134,146

Lamar University, con't.



Pell Grant	2,482	\$6,068,681	Other Gift Aid		
TEXAS Grant	824	\$2,219,897	Supplemental Ed. Oppty. Grants	249	\$390,000
TX Pub. Educational Grants (TPEG)	1,410	\$1,846,319	Exemptions & Waivers	111	\$257,922
Other Gift Aid	458	\$774,847	Categorical Aid	29	\$45,189
Other Grants & Scholarships	25	\$42,760	Student Deposit Scholarship	42	\$40,164
Total Grants and Scholarships*	2,908	\$10,952,504	Pub.Stu. Incentive Gr/LEAP	19	\$25,803
			Byrd Scholarship	6	\$8,250
			Teach for Texas Conditional Gr.	2	\$7,519
			Other Gift Aid*	458	\$774,847

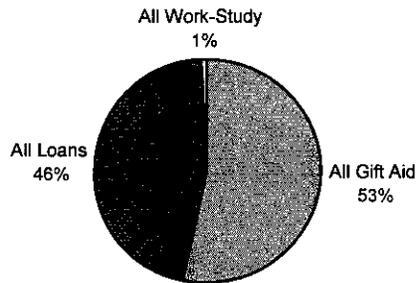


Federal Work-Study	97	\$171,961
State Work-Study	11	\$19,147
Total Work-Study*	102	\$191,108

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

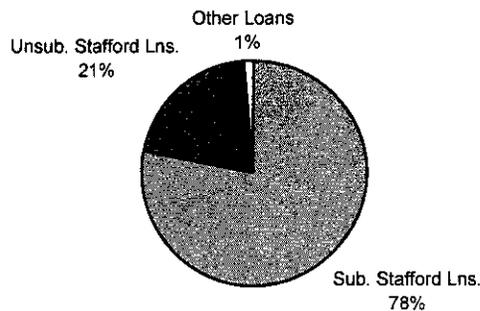
Midwestern State University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$11,518,906)



All Gift Aid	1,671	\$6,121,505
All Loans	1,191	\$5,315,421
All Work-Study	57	\$81,980
All Funds*	1,869	\$11,518,906

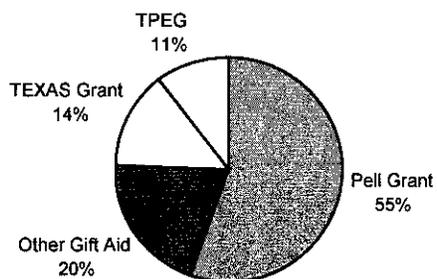
Breakdown of Loans (\$5,315,421)



Subsidized Stafford Loans	1,173	\$4,142,285	Other Loans		
Unsubsidized Stafford Loans	359	\$1,099,017	Other Long-term Loans	7	\$25,429
Other Loans	21	\$74,119	College Access Loans	4	\$17,000
Total Loans*	1,191	\$5,315,421	Perkins Loans	5	\$16,939
			PLUS Loans	5	\$14,751
			Other Loans	21	\$74,119

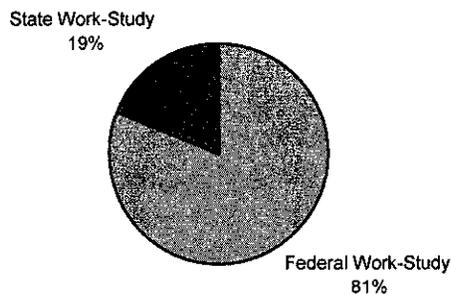
Midwestern State University, con't.

Breakdown of Gift Aid (\$6,121,505)



Pell Grant	1,398	\$3,388,335	Other Gift Aid		
Other Gift Aid	852	\$1,235,527	Other Grants & Scholarships	418	\$549,540
TEXAS Grant	330	\$850,780	Exemptions & Waivers	204	\$295,688
TX Pub. Educational Grant (TPEG)	541	\$646,863	Categorical Aid	78	\$249,943
Total Grants and Scholarships*	1,671	\$6,121,505	Supplemental Ed. Oppty. Grants	112	\$108,912
			Student Deposit Scholarship	18	\$13,415
			Pub.Stu. Incentive Gr/LEAP	14	\$10,448
			Byrd Scholarship	2	\$3,000
			Nursing Scholarships	1	\$3,000
			<u>Special Leveraging Ed. Asst. Gr.</u>	<u>5</u>	<u>\$1,581</u>
			Other Gift Aid	852	\$1,235,527

Breakdown of Work-Study (\$81,980)

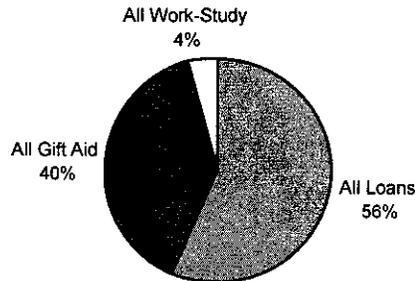


Federal Work-Study	57	\$66,446
State Work-Study	31	\$15,534
Total Work-Study*	57	\$81,980

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

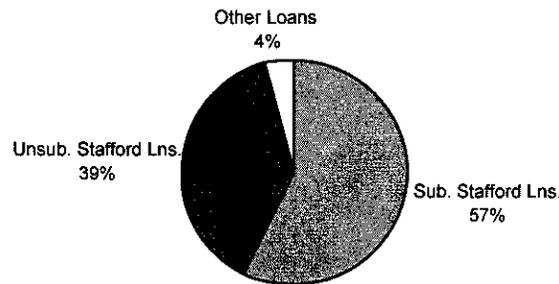
Prairie View A&M University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$40,268,269)



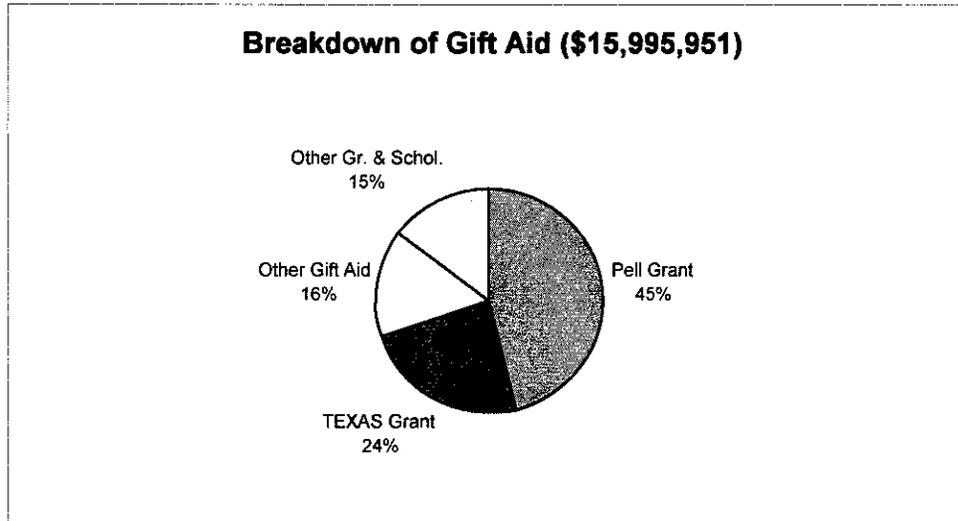
All Loans	4,024	\$22,694,418
All Gift Aid	3,521	\$15,995,951
All Work-Study	718	\$1,577,900
All Funds*	4,701	\$40,268,269

Breakdown of Loans (\$22,694,418)

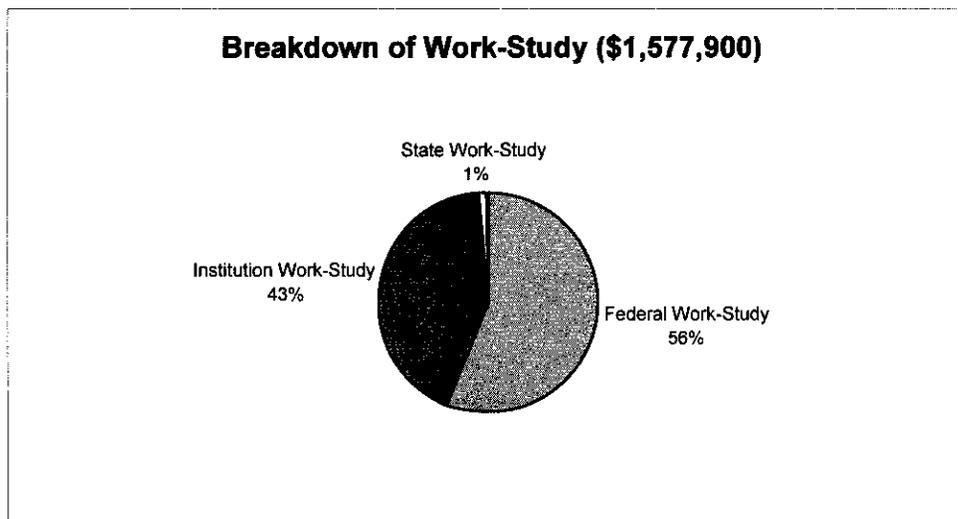


Subsidized Stafford Loans	3,576	\$12,946,273	Other Loans		
Unsubsidized Stafford Loans	2,105	\$8,843,158	PLUS Loans	139	\$706,195
Other Loans	185	\$904,987	Other Long-term Loans	46	\$198,792
Total Loans*	4,024	\$22,694,418	Other Loans	185	\$904,987

Prairie View A&M University, con't.



Pell Grant	2,611	\$7,344,233	Other Gift Aid		
TEXAS Grant	1,372	\$3,780,769	Supplemental Ed. Oppty. Grants	1,519	\$1,261,134
Other Gift Aid	2,231	\$2,531,016	TX Pub. Educational Gr. (TPEG)	601	\$913,053
Other Grants & Scholarships	921	\$2,339,933	Exemptions & Waivers	88	\$312,879
Total Grants and Scholarships*	3,521	\$15,995,951	Pub.Stu. Incentive Gr/LEAP	19	\$35,194
			Nursing Scholarships	2	\$5,500
			Student Deposit Scholarship	2	\$3,256
			Other Gift Aid	2,231	\$2,531,016

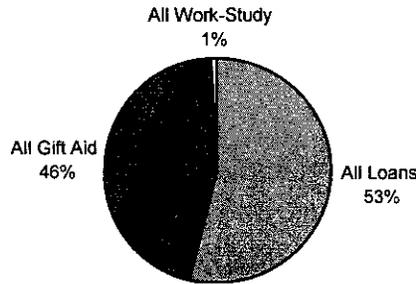


Federal Work-Study	431	\$881,603
Institution Work-Study	292	\$674,562
State Work-Study	19	\$21,735
Total Work-Study*	718	\$1,577,900

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

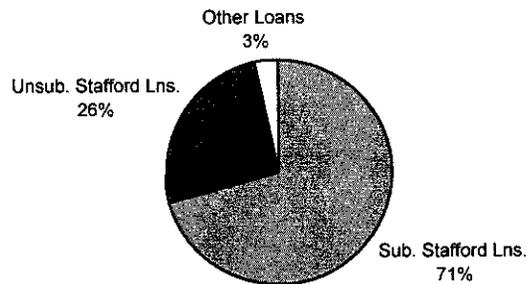
Sam Houston State University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$27,697,811)



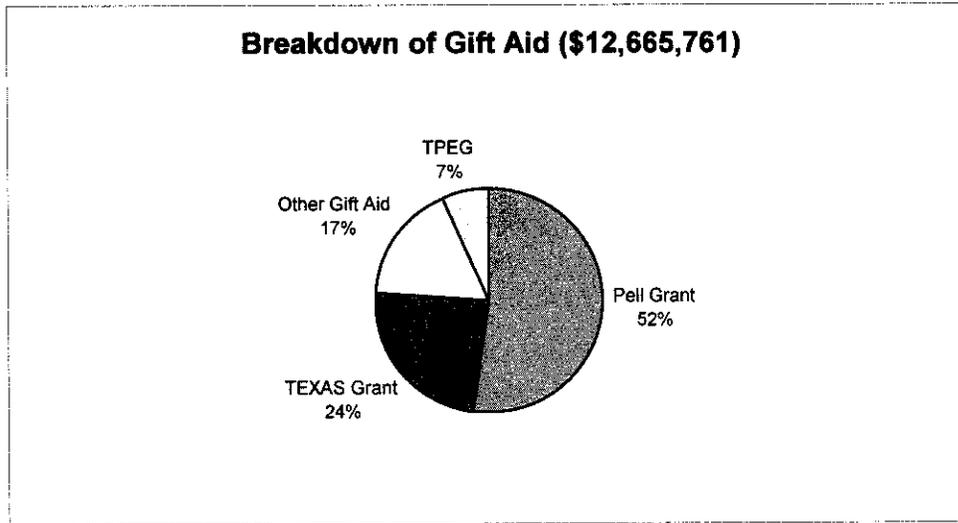
All Loans	2,868	\$14,828,770
All Gift Aid	3,174	\$12,665,761
All Work-Study	150	\$203,280
All Funds	3,699	\$27,697,811

Breakdown of Loans (\$14,828,770)

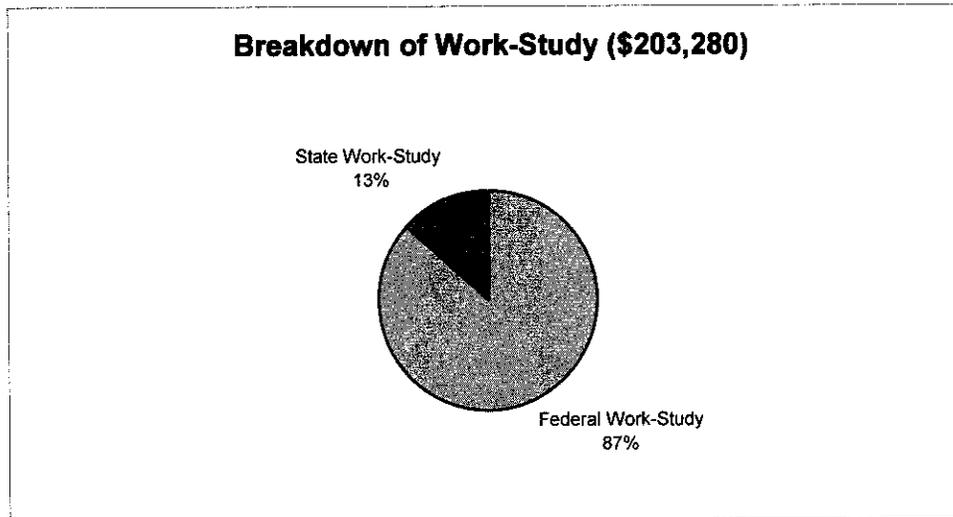


Subsidized Stafford Loans	2,832	\$10,455,136	Other Loans		
Unsubsidized Stafford Loans	1,145	\$3,874,368	PLUS Loans	94	\$295,704
Other Loans	146	\$499,266	Other Long-term Loans	32	\$112,097
Total Loans*	2,868	\$14,828,770	Perkins Loans	18	\$88,967
			College Access Loans	2	\$2,498
			Other Loans	146	\$499,266

Sam Houston State University, con't.



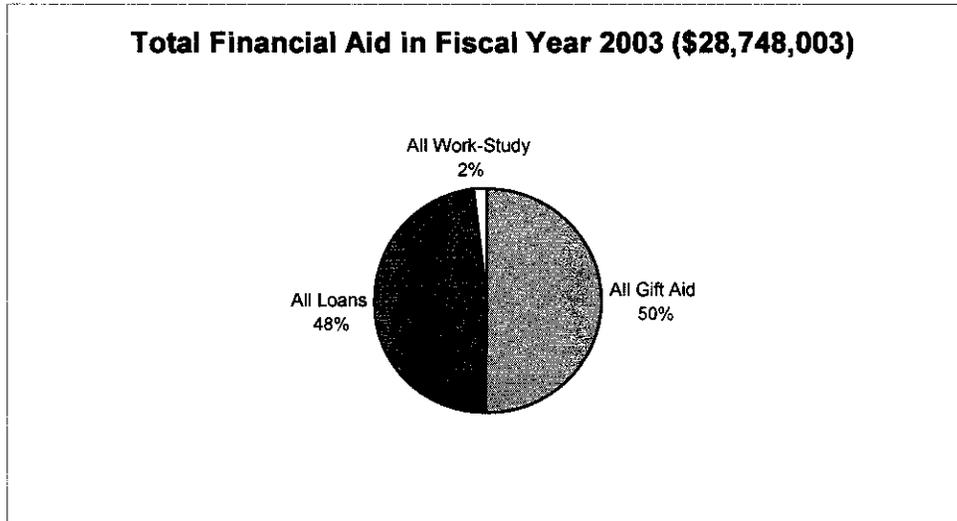
Pell Grant	2,608	\$6,593,581	Other Gift Aid		
TEXAS Grant	1,012	\$3,047,779	Other Grants & Scholarships	391	\$708,219
Other Gift Aid	1,503	\$2,195,623	Categorical Aid	392	\$621,093
<u>TX Pub. Educational Grant (TPEG)</u>	<u>1,400</u>	<u>\$828,778</u>	Supplemental Ed. Oppty. Grants	478	\$406,960
Total Grants and Scholarships*	3,174	\$12,665,761	Exemptions & Waivers	120	\$374,807
			Student Deposit Scholarship	77	\$47,656
			Pub.Stu. Incentive Gr/LEAP	41	\$30,888
			<u>Byrd Scholarship</u>	<u>4</u>	<u>\$6,000</u>
			Other Gift Aid	1,503	\$2,195,623



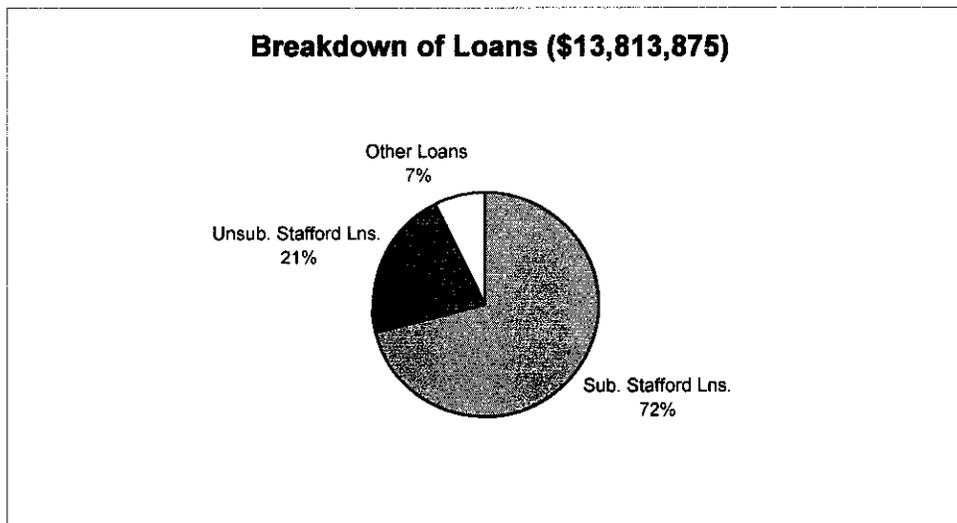
Federal Work-Study	149	\$176,054
State Work-Study	58	\$27,226
<u>Total Work-Study*</u>	<u>150</u>	<u>\$203,280</u>

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

Stephen F. Austin State University
Fiscal Year 2003

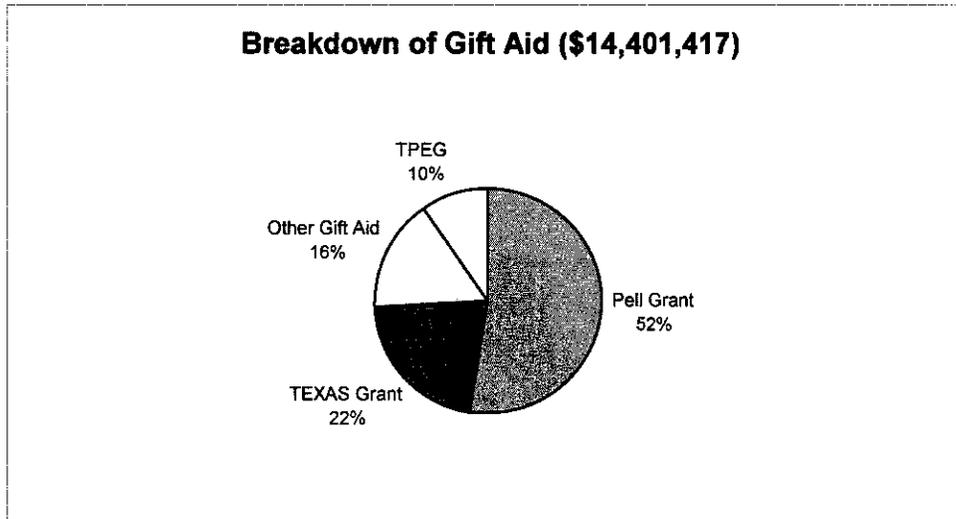


All Gift Aid	3,526	\$14,401,417
All Loans	2,879	\$13,813,875
All Work-Study	364	\$532,711
All Funds*	3,682	\$28,748,003

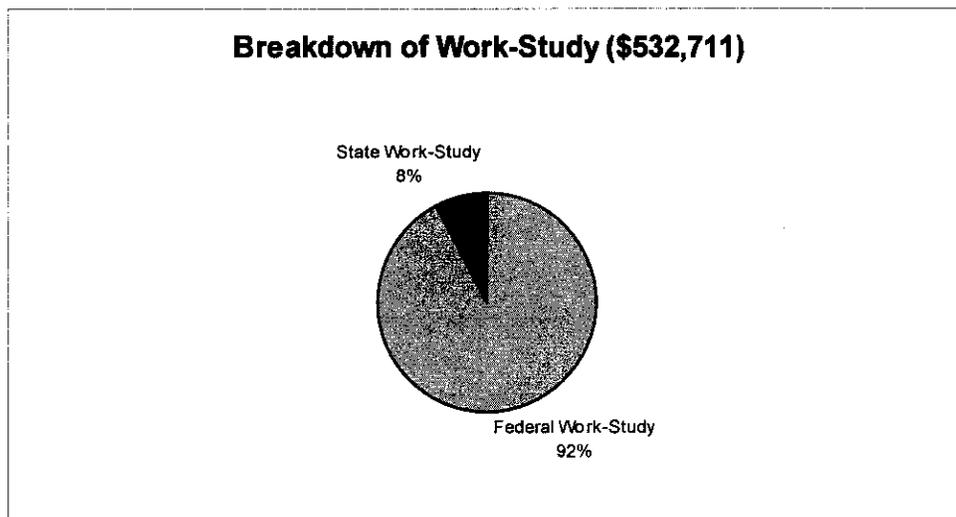


Subsidized Stafford Loans	2,790	\$9,819,222	Other Loans		
Unsubsidized Stafford Loans	1,137	\$2,959,267	Perkins Loans	268	\$849,833
Other Loans	337	\$1,035,386	College Access Loans	39	\$109,708
Total Loans*	2,879	\$13,813,875	PLUS Loans	23	\$56,822
			Other Long-term Loans	7	\$19,023
			Other Loans	337	\$1,035,386

Stephen F. Austin State University, con't.



Pell Grant	2,754	\$7,531,515	Other Gift Aid		
TEXAS Grant	1,121	\$3,103,172	Other Grants & Scholarships	865	\$1,270,519
Other Gift Aid	1,881	\$2,367,783	Categorical Aid	356	\$499,951
TX Pub. Educational Gr. (TPEG)	2,089	\$1,398,947	Supplemental Ed. Oppty. Grants	566	\$417,905
Total Grants and Scholarships*	3,526	\$14,401,417	Exemptions & Waivers	37	\$139,169
			Pub.Stu. Incentive Gr/LEAP	53	\$33,239
			Byrd Scholarship	3	\$4,500
			Nursing Scholarships	1	\$2,500
			Other Gift Aid	1,881	\$2,367,783

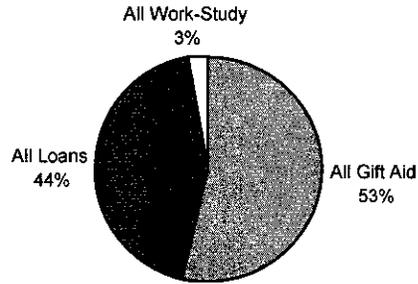


Federal Work-Study	359	\$491,175
State Work-Study	37	\$41,536
Total Work-Study*	364	\$532,711

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

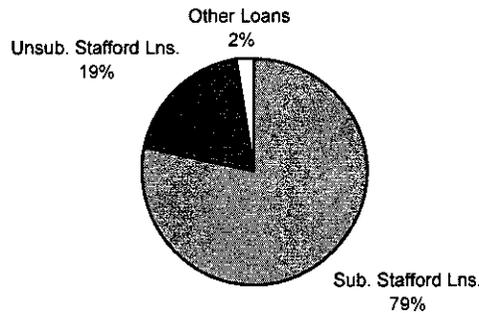
Sul Ross State University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$9,096,672)



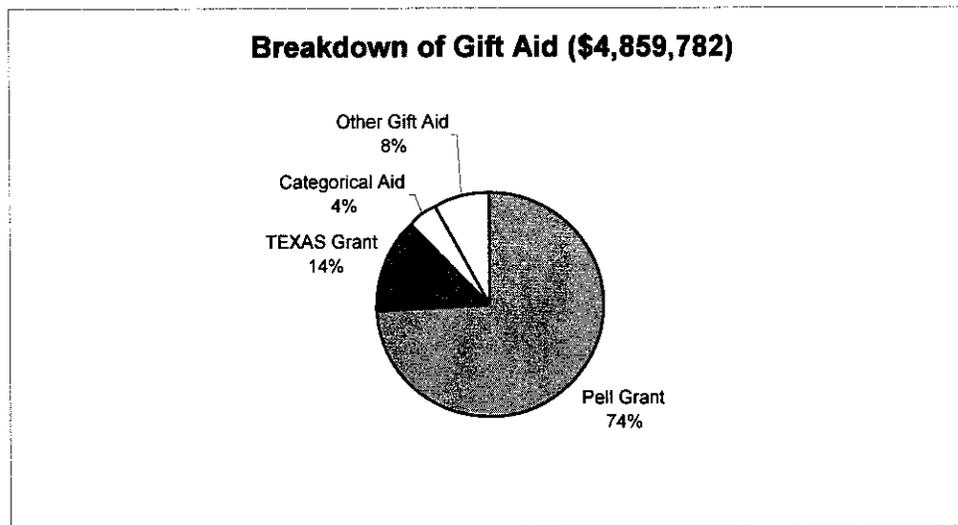
All Gift Aid	1,426	\$4,859,782
All Loans	1,009	\$4,008,789
All Work-Study	162	\$228,101
All Funds*	1,520	\$9,096,672

Breakdown of Loans (\$4,008,789)

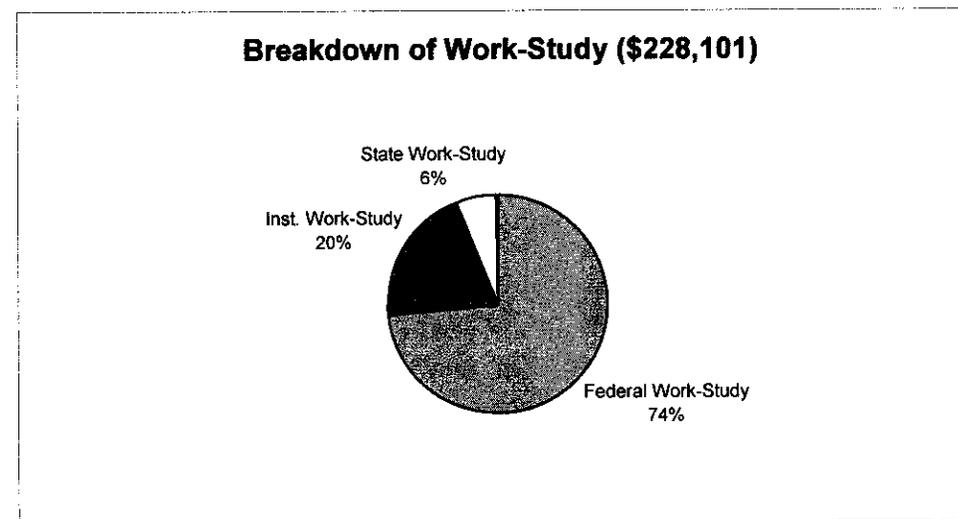


Subsidized Stafford Loans	959	\$3,138,206	Other Loans		
Unsubsidized Stafford Loans	334	\$779,217	Perkins Loans	46	\$81,319
Other Loans	50	\$91,366	Other Long-term Loans	4	\$10,047
Total Loans*	1,009	\$4,008,789	Other Loans	50	\$91,366

Sul Ross State University, con't.



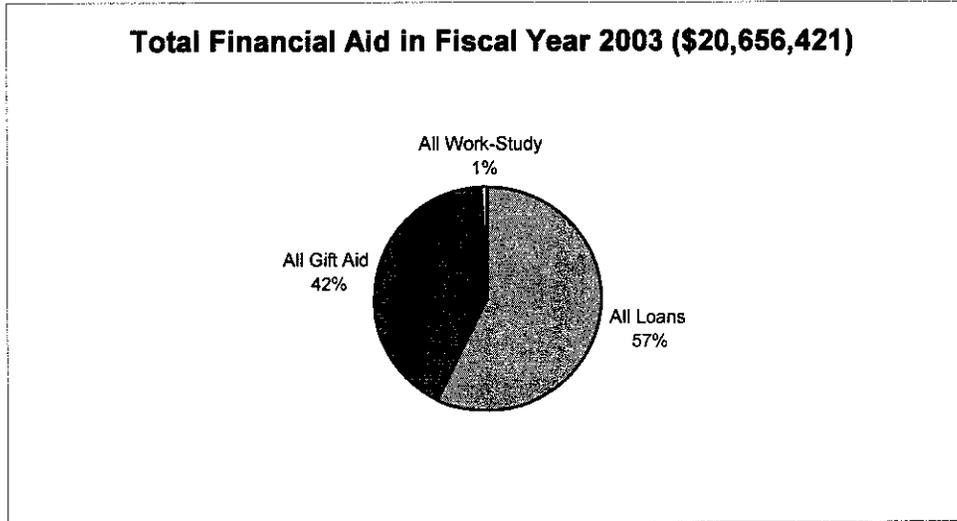
Pell Grant	1,320	\$3,586,528	Other Gift Aid		
TEXAS Grant	245	\$677,830	TX Pub. Educational Gr. (TPEG)	329	\$199,806
Other Gift Aid	698	\$394,336	Supplemental Ed. Oppty. Grants	251	\$97,228
Categorical Aid	166	\$201,088	Other Grants & Schol.	95	\$73,886
Total Grants and Scholarships*	1,426	\$4,859,782	Pub.Stu. Incentive Gr./LEAP	18	\$13,016
			Teach for Texas Conditional Gr.	1	\$5,900
			Student Deposit Scholarship	3	\$3,000
			<u>Nursing Scholarship</u>	<u>1</u>	<u>\$1,500</u>
			Other Gift Aid	698	\$394,336



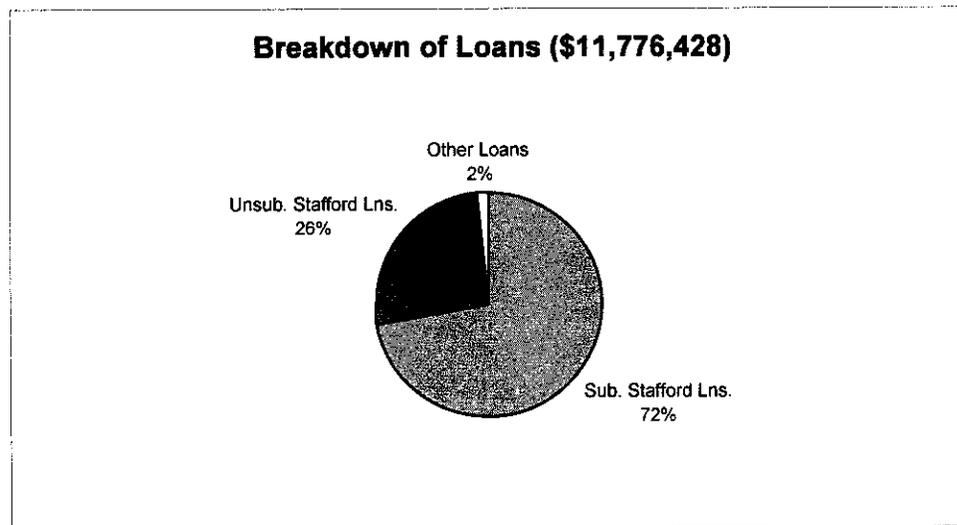
Federal Work-Study	142	\$167,049
Institutional Work-Study	86	\$46,267
State Work-Study	50	\$14,785
Total Work-Study*	162	\$228,101

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

Tarleton State University
Fiscal Year 2003

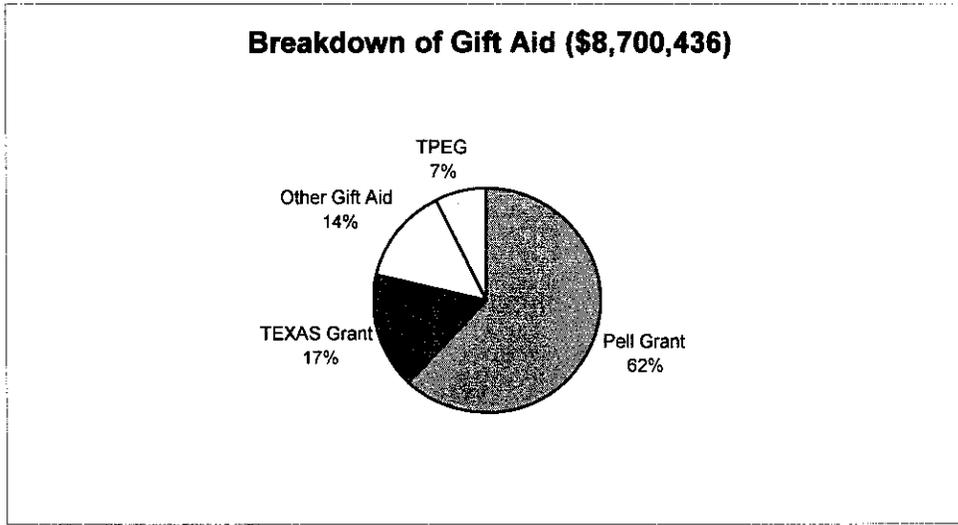


All Loans	2,196	\$11,776,428
All Gift Aid	2,406	\$8,700,436
All Work-Study	99	\$179,557
All Funds*	2,847	\$20,656,421

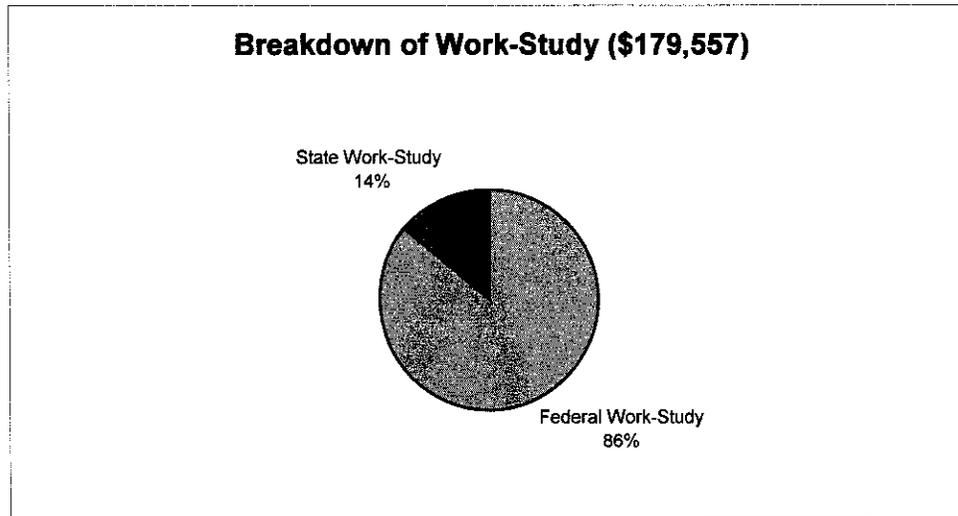


Subsidized Stafford Loans	2,146	\$8,490,660	Other Loans		
Unsubsidized Stafford Loans	920	\$3,078,586	PLUS Loans	60	\$195,918
Other Loans	62	\$207,182	College Access Loans	2	\$11,264
Total Loans*	2,196	\$11,776,428	Other Loans	62	\$207,182

Tarleton State University, con't.



Pell Grant	2,084	\$5,382,360	Other Gift Aid		
TEXAS Grant	518	\$1,462,322	Supplemental Fed. Oppty. Grants	379	\$398,990
Other Gift Aid	853	\$1,223,608	Categorical Aid	164	\$386,311
TX Pub. Educational Grants (TPEG)	624	\$632,146	Exemptions & Waivers	85	\$305,060
Total Grants and Scholarships*	2,406	\$8,700,436	Student Deposit Scholarship	181	\$62,000
			Teach for TX Cond. Grant	6	\$33,478
			Pub.Stu. Incentive Gr/LEAP	25	\$25,351
			Nursing Scholarships	4	\$8,750
			Special Leveraging Ed.Assist. Gr.	9	\$3,668
			Other Gift Aid	853	\$1,223,608

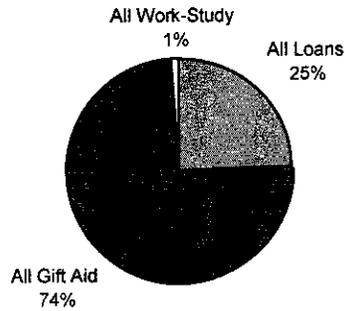


Federal Work-Study	99	\$154,529
State Work-Study	17	\$25,028
Total Work-Study*	99	\$179,557

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

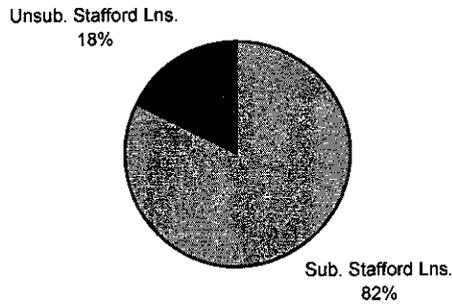
Texas A&M International University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$13,625,481)



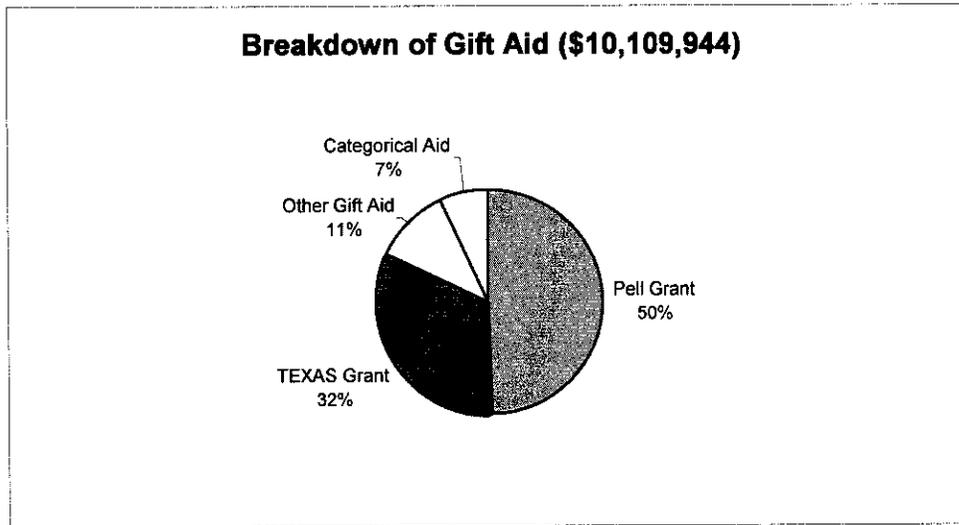
All Gift Aid	2,134	\$10,109,944
All Loans	843	\$3,370,145
All Work-Study	99	\$145,392
All Funds*	2,231	\$13,625,481

Breakdown of Loans (\$3,370,145)

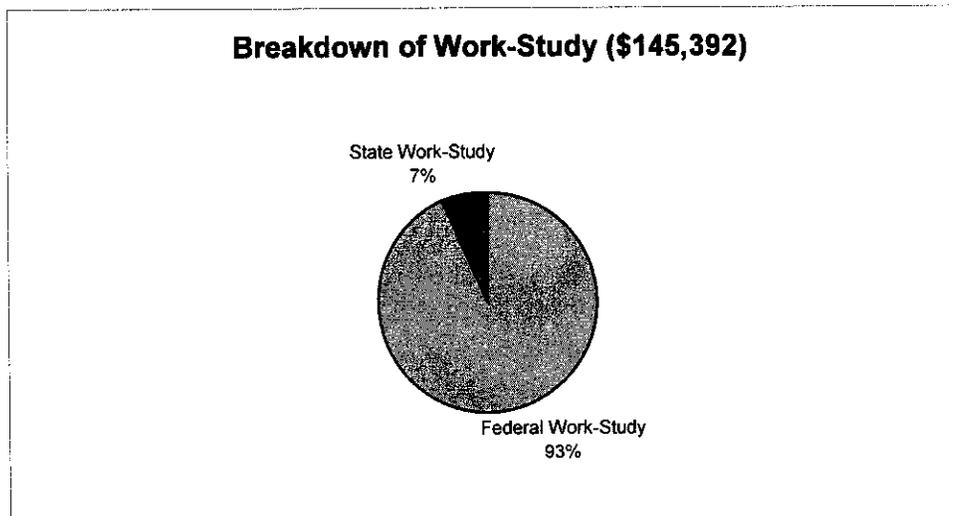


Subsidized Stafford Loans	831	\$2,779,509
Unsubsidized Stafford Loans	231	\$590,636
Total Loans*	843	\$3,370,145

Texas A&M International University, con't.



Pell Grant	1,801	\$4,993,574	Other Gift Aid		
TEXAS Grant	990	\$3,278,726	TX Pub. Educational Gr. (TPEG)	644	\$413,036
Other Gift Aid	1,250	\$1,149,212	Supplemental Ed. Oppty. Grants	315	\$238,894
Categorical Aid	446	\$688,432	Other Grants and Scholarships	149	\$215,011
Total Grants and Scholarships*	2,134	\$10,109,944	Exemptions & Waivers	101	\$204,580
			Teach for TX Cond. Grant	15	\$58,556
			Pub.Stu. Incentive Gr/LEAP	23	\$11,135
			Nursing Scholarships	3	\$8,000
			Other Gift Aid	1,250	\$1,149,212

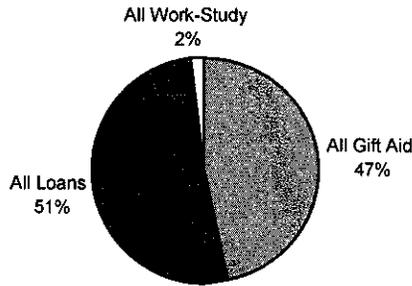


Federal Work-Study	93	\$135,836
State Work-Study	7	\$9,556
Total Work-Study*	99	\$145,392

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

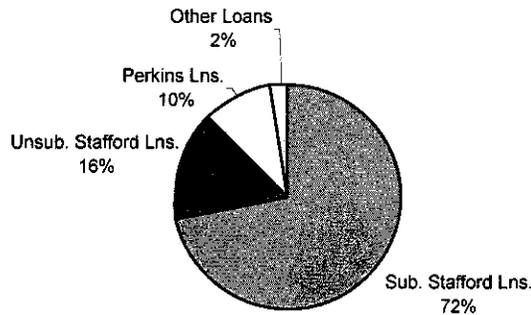
Texas A&M University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$69,908,724)



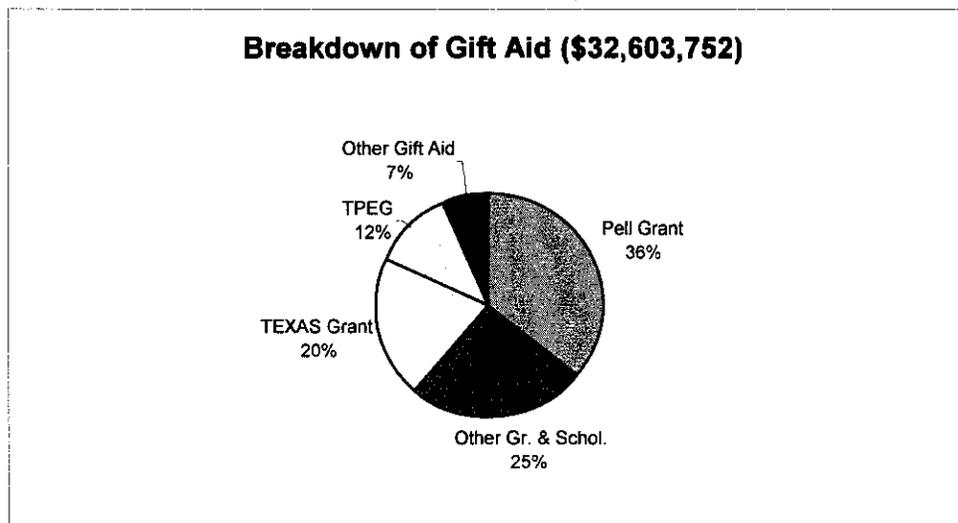
All Loans	6,072	\$36,022,375
All Gift Aid	6,455	\$32,603,752
All Work-Study	731	\$1,282,597
All Funds*	7,626	\$69,908,724

Breakdown of Loans (\$36,022,375)

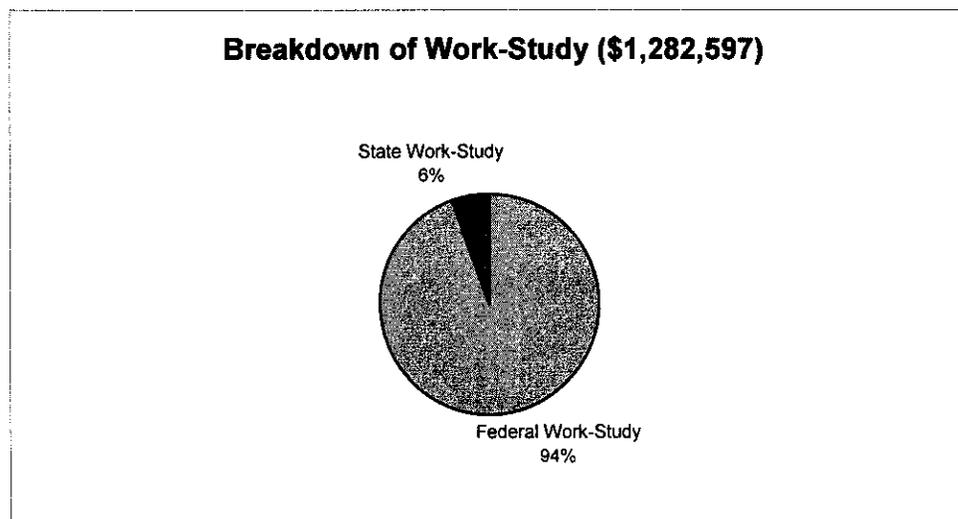


Subsidized Stafford Loans	5,794	\$25,916,717	Other Loans		
Unsubsidized Stafford Loans	1,277	\$5,606,525	Other Long-term Loans	212	\$526,609
Perkins Loans	1,583	\$3,651,690	College Access Loans	68	\$215,659
Other Loans	314	\$847,443	PLUS Loans	34	\$105,175
Total Loans*	6,072	\$36,022,375	Other Loans	314	\$847,443

Texas A&M University, con't.



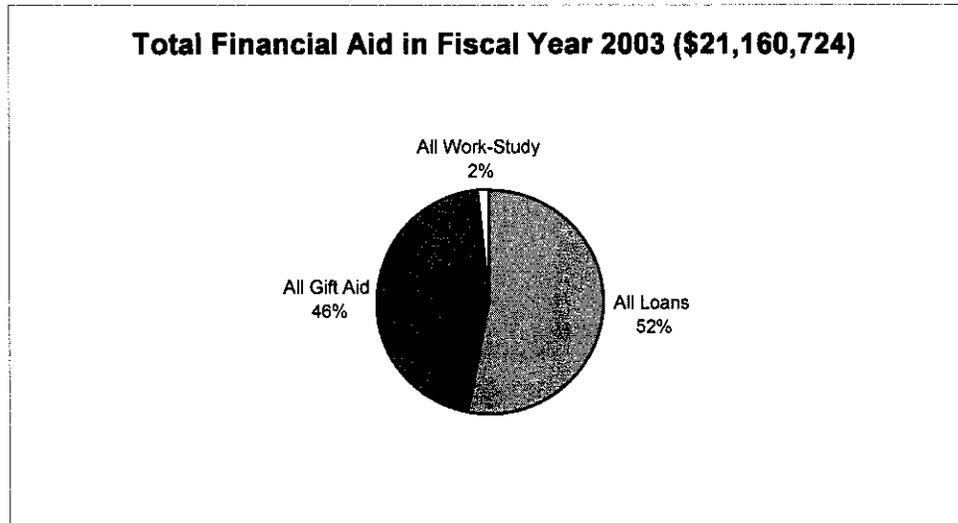
Pell Grant	4,430	\$11,699,727	Other Gift Aid		
Other Grants & Scholarships	3,269	\$8,262,415	Supplemental Ed. Oppty. Grants	1,092	\$1,805,878
TEXAS Grant	2,309	\$6,646,268	Categorical Aid	44	\$126,908
TX Pub. Educational Grant (TPEG)	2,679	\$3,849,545	Pub.Stu. Incentive Gr/LEAP	72	\$96,497
Other Gift Aid	1,288	\$2,145,797	Byrd Scholarship	38	\$55,500
Total Grants and Scholarships*	6,455	\$32,603,752	Exemptions & Waivers	7	\$27,949
			Teach for TX Cond. Grant	2	\$15,457
			Special Leveraging Ed. Asst. Gr.	27	\$13,108
			Student Deposit Scholarships	6	\$4,500
			Other Gift Aid	1,288	\$2,145,797



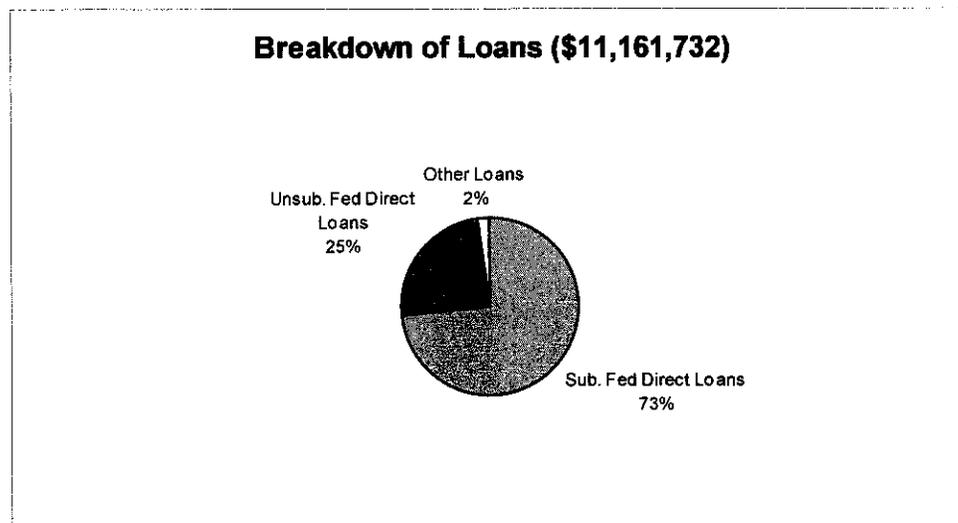
Federal Work-Study	717	\$1,209,683
State Work-Study	49	\$72,914
Total Work-Study*	731	\$1,282,597

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

Texas A&M University-Commerce
Fiscal Year 2003

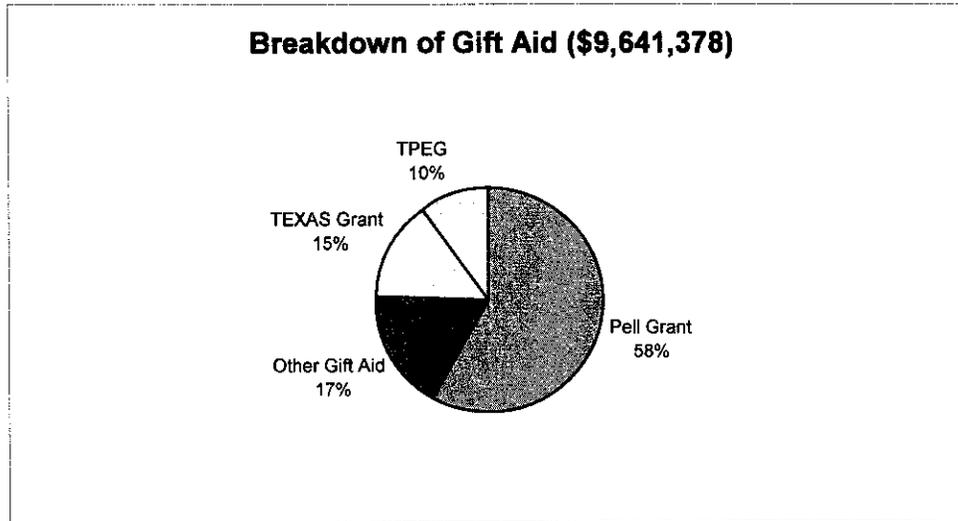


All Loans	2,167	\$11,161,732
All Gift Aid	2,274	\$9,641,378
All Work-Study	218	\$357,614
All Funds*	2,748	\$21,160,724

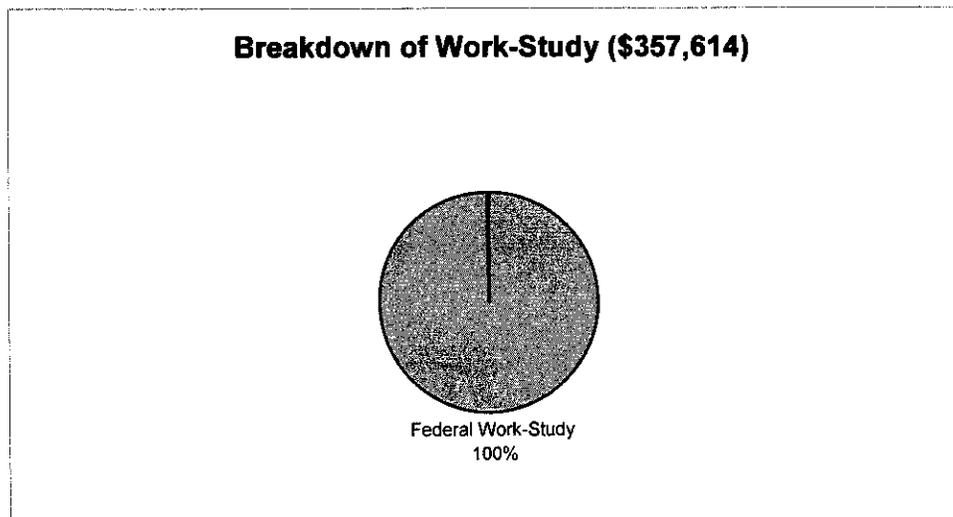


Subsidized Fed Direct Loans	2,094	\$8,159,046	Other Loans		
Unsubsidized Fed Direct Loans	811	\$2,766,189	Perkins Loans	86	\$207,750
Other Loans	97	\$236,497	PLUS Loans	11	\$28,747
Total Loans*	2,167	\$11,161,732	Other Loans	97	\$236,497

Texas A&M University-Commerce, con't.



Pell Grant	2,029	\$5,601,010	Other Gift Aid		
Other Gift Aid	1,350	\$1,681,314	Other Grants & Scholarships	701	\$755,152
TEXAS Grant	496	\$1,403,971	Categorical Aid	216	\$458,468
TX Pub. Educational Grant (TPEG)	684	\$955,083	Supplemental Ed. Oppty. Grants	310	\$212,554
Total Grants and Scholarships*	2,274	\$9,641,378	Exemptions & Waivers	86	\$210,073
			Pub.Stu. Incentive Gr/LEAP	30	\$24,000
			Teach for TX Cond. Grant	5	\$18,067
			<u>Byrd Scholarship</u>	<u>2</u>	<u>\$3,000</u>
			Other Gift Aid	1,350	\$1,681,314

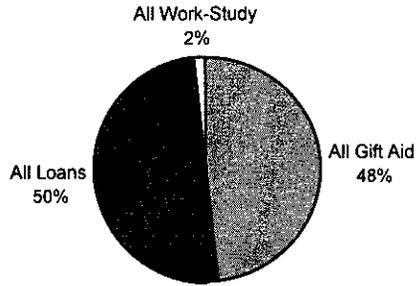


<u>Federal Work-Study</u>	<u>218</u>	<u>\$357,614</u>
Total Work-Study*	218	\$357,614

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

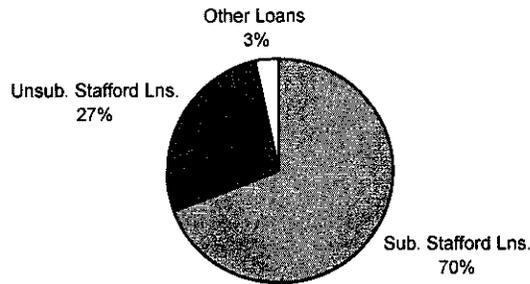
Texas A&M University-Corpus Christi
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$18,105,120)



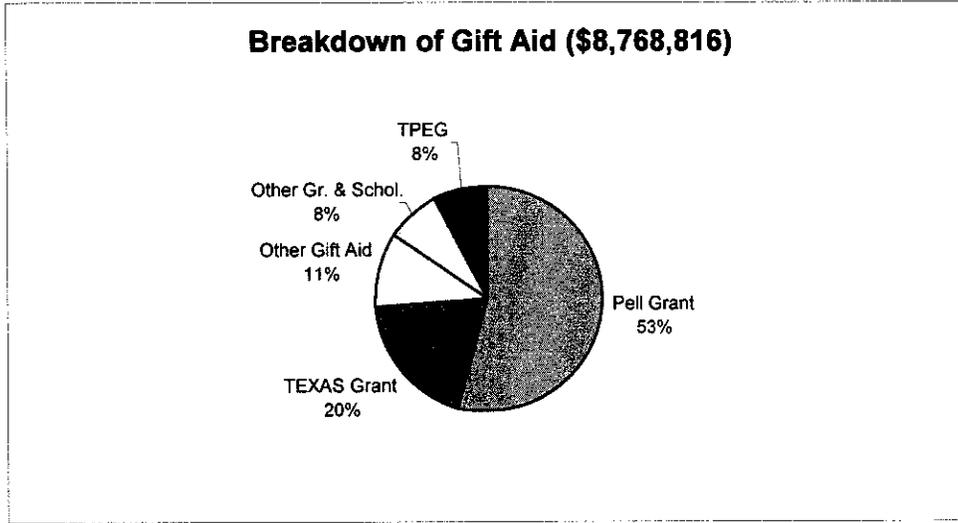
All Loans	1,539	\$9,047,973
All Gift Aid	2,078	\$8,768,816
All Work-Study	157	\$288,331
All Funds*	2,316	\$18,105,120

Breakdown of Loans (\$9,047,973)

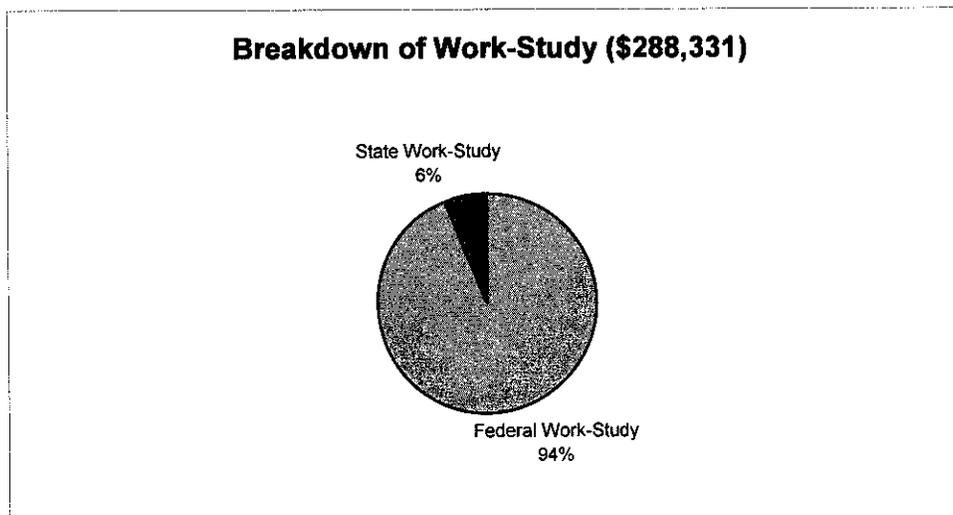


Subsidized Fed Direct Loans	1,512	\$6,261,535	Other Loans		
Unsubsidized Fed Direct Loans	674	\$2,475,078	PLUS Loans	53	\$205,360
Other Loans	115	\$311,360	Perkins Lpans	62	\$106,000
Total Loans**	1,539	\$9,047,973	Other Loans	115	\$311,360

Texas A&M University-Corpus Christi, con't.



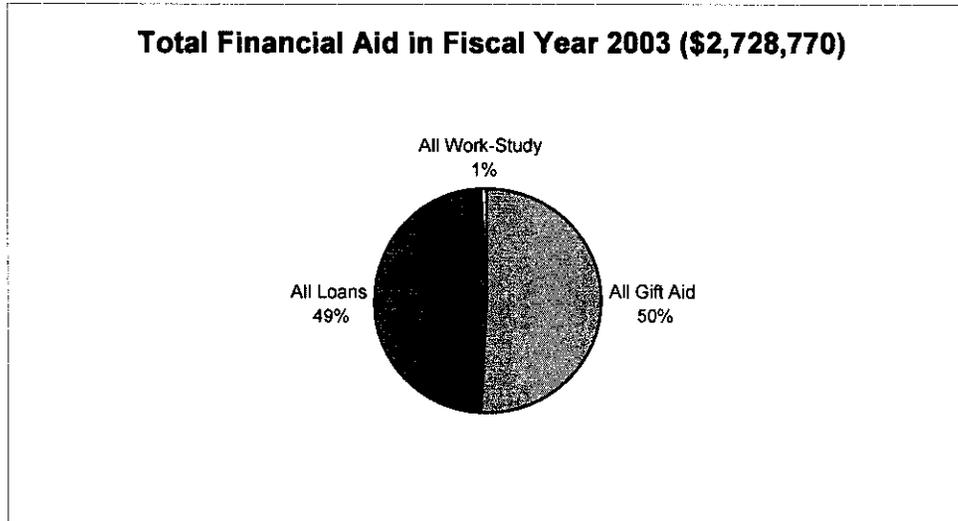
Pell Grant	1,682	\$4,735,983	Other Gift Aid		
TEXAS Grant	600	\$1,715,091	Categorical Aid	341	\$541,244
Other Gift Aid	681	\$955,747	Supplemental Ed. Oppty. Grants	262	\$217,843
Other Grants & Scholarships	448	\$688,887	Exemptions & Waivers	34	\$114,033
TX Pub. Educational Grant (TPEG)	748	\$673,108	Teach for TX Cond. Grant	8	\$50,092
Total Grants and Scholarships*	2,078	\$8,768,816	Pub.Stu. Incentive Gr/LEAP	24	\$23,699
			Special Leveraging Ed. Asst. Gr.	9	\$3,336
			Byrd Scholarship	2	\$3,000
			Nursing Scholarships	1	\$2,500
			Other Gift Aid	681	\$955,747



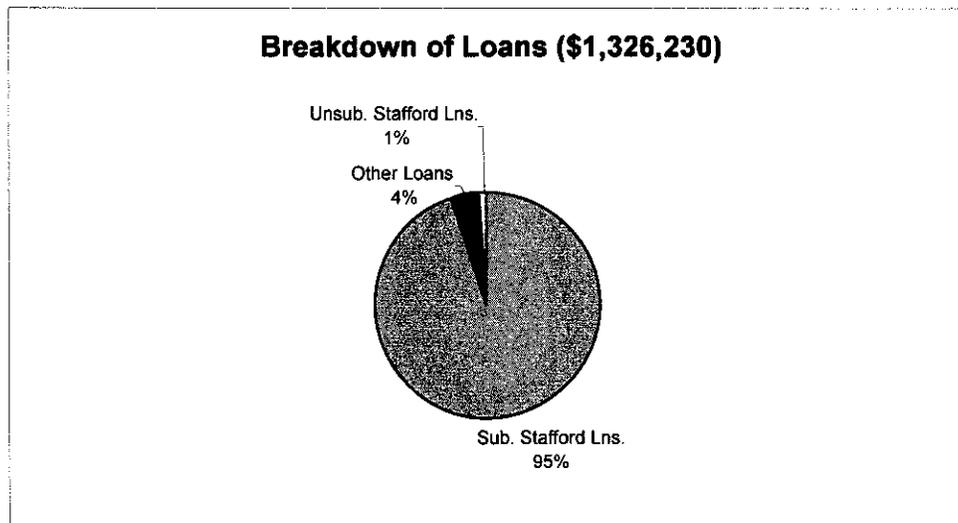
Federal Work-Study	155	\$270,959
State Work-Study	11	\$17,372
Total Work-Study*	157	\$288,331

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

Texas A&M University-Galveston
Fiscal Year 2003

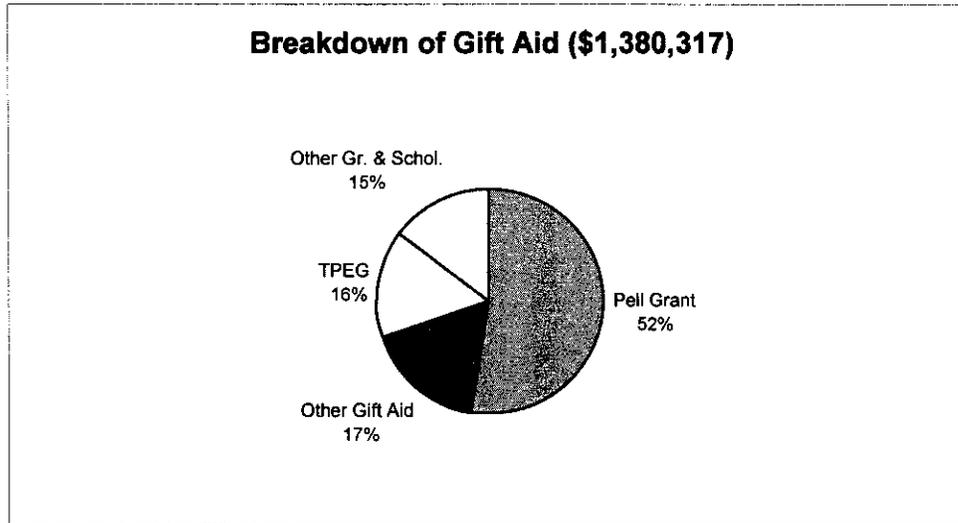


All Gift Aid	317	\$1,380,317
All Loans	357	\$1,326,230
All Work-Study	16	\$22,223
All Funds*	428	\$2,728,770

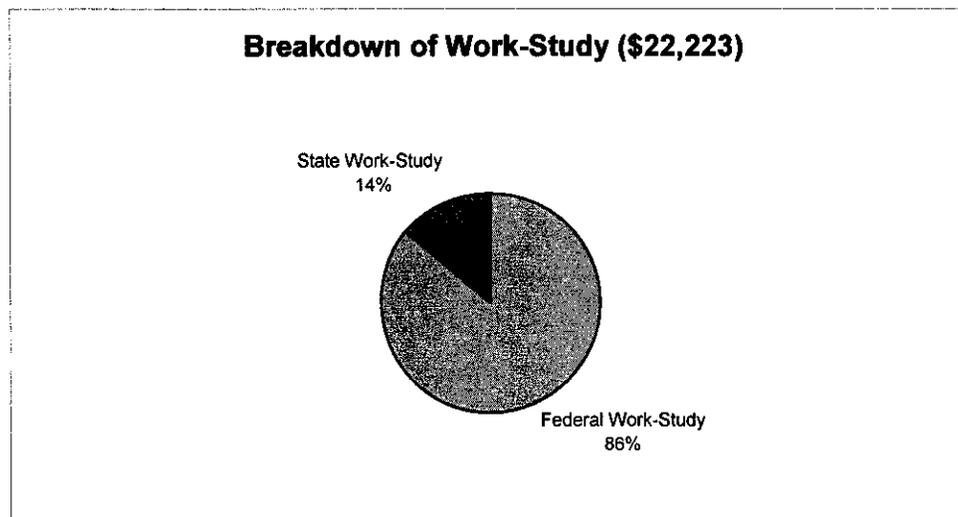


Subsidized Stafford Loans	353	\$1,256,741	Other Loans		
Other Loans	12	\$55,231	PLUS Loans	4	\$29,298
Unsubsidized Stafford Loans	7	\$14,258	Other Long-term Loans	4	\$17,773
Total Loans*	357	\$1,326,230	Perkins Loans	4	\$0,160
			Other Loans	12	\$55,231

Texas A&M University-Galveston, con't.



Pell Grant	279	\$722,593	Other Gift Aid		
Other Gift Aid	98	\$236,918	TEXAS Grant	56	\$153,400
TX Pub. Educational Grants (TPEG)	135	\$217,084	Supplemental Ed. Oppty. Grants	40	\$80,356
Other Grants & Scholarships	119	\$203,722	Pub.Stu. Incentive Gr/LEAP	2	\$3,162
Total Grants and Scholarships*	317	\$1,380,317	Other Gift Aid	98	\$236,918

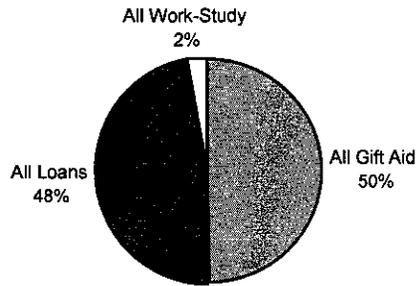


Federal Work-Study	14	\$19,119
State Work-Study	3	\$3,104
Total Work-Study*	16	\$22,223

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

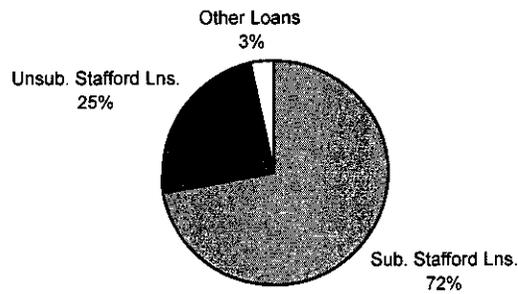
Texas A&M University-Kingsville
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$24,225,437)



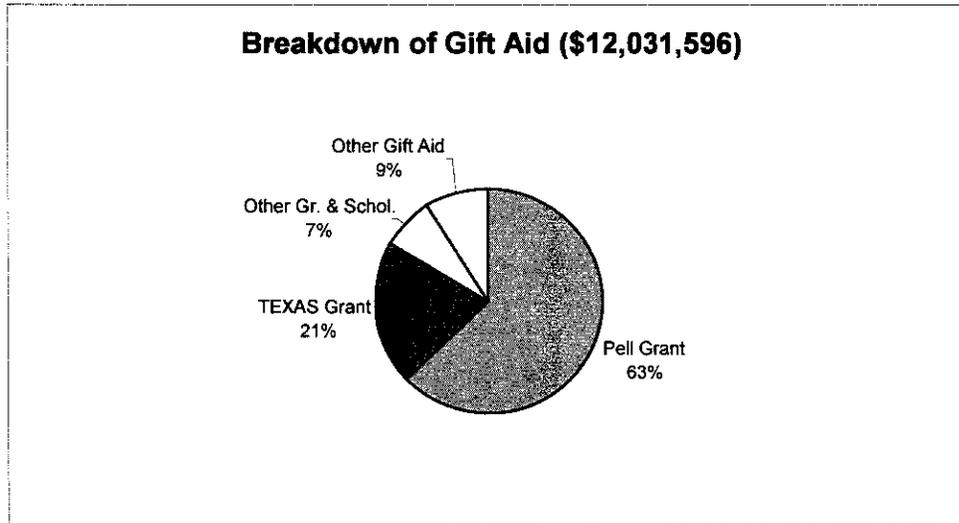
All Gift Aid	2,826	\$12,031,596
All Loans	2,298	\$11,612,193
All Work-Study	374	\$581,648
All Funds*	3,082	\$24,225,437

Breakdown of Loans (\$11,612,193)

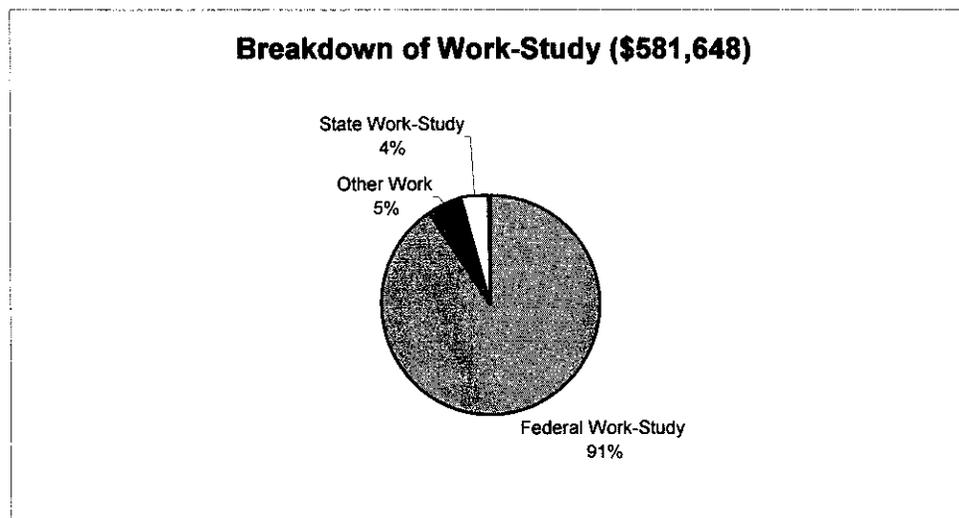


Subsidized Fed Direct Loans	2,230	\$8,379,858	Other Loans		
Unsubsidized Fed Direct Loans	970	\$2,857,533	PLUS Loans	102	\$245,118
Other Loans	160	\$374,802	Perkins Loans	58	\$129,684
Total Loans*	2,298	\$11,612,193	Other Loans	160	\$374,802

Texas A&M University-Kingsville, con't.



Pell Grant	2,593	\$7,542,614	Other Gift Aid		
TEXAS Grant	880	\$2,476,077	TX Pub. Educational Grant (TPEG)	504	\$391,817
Other Gift Aid	838	\$1,115,623	Supplemental Ed. Oppty. Grants	613	\$362,775
<u>Other Grants & Scholarships</u>	<u>577</u>	<u>\$897,282</u>	Exemptions & Waivers	213	\$339,990
Total Grants and Scholarships*	2,826	\$12,031,596	Pub.Stu. Incentive Gr/LEAP	9	\$17,479
			<u>Byrd Scholarship</u>	<u>3</u>	<u>\$3,562</u>
			Other Gift Aid	838	\$1,115,623

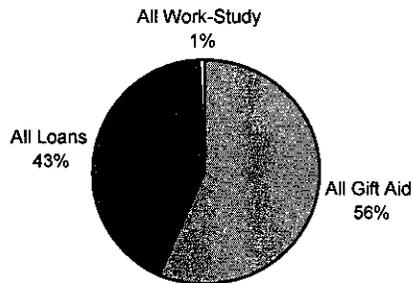


Federal Work-Study	355	\$526,311	Other Work		
Other Work	31	\$30,851	Institutional Work-Study	18	\$15,984
State Work-Study	40	\$24,486	<u>AmeriCorps</u>	<u>13</u>	<u>\$14,867</u>
<u>Total Work-Study*</u>	<u>374</u>	<u>\$581,648</u>		31	\$30,851

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

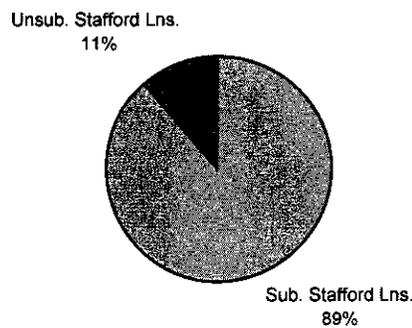
Texas A&M University-Texarkana
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$1,901,524)



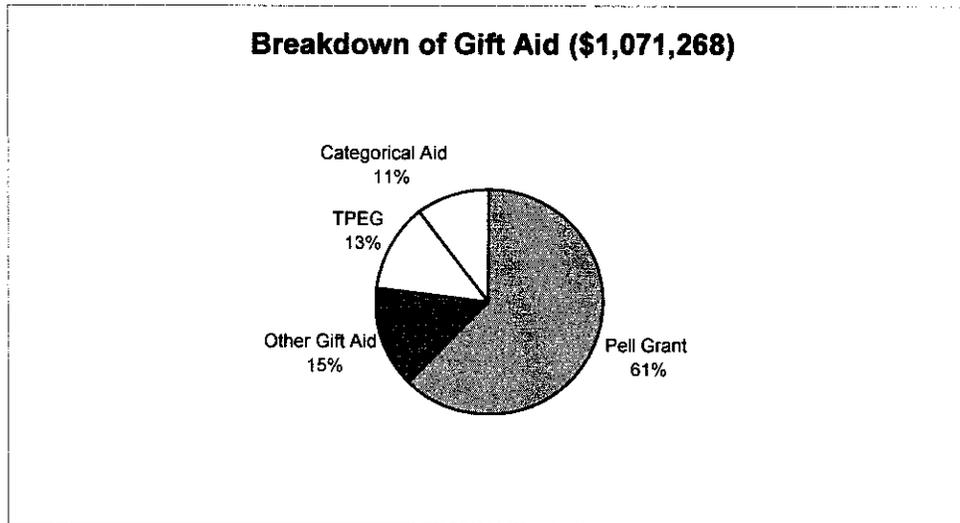
All Gift Aid	339	\$1,071,268
All Loans	227	\$814,386
All Work-Study	20	\$15,870
All Funds*	414	\$1,901,524

Breakdown of Loans (\$814,386)

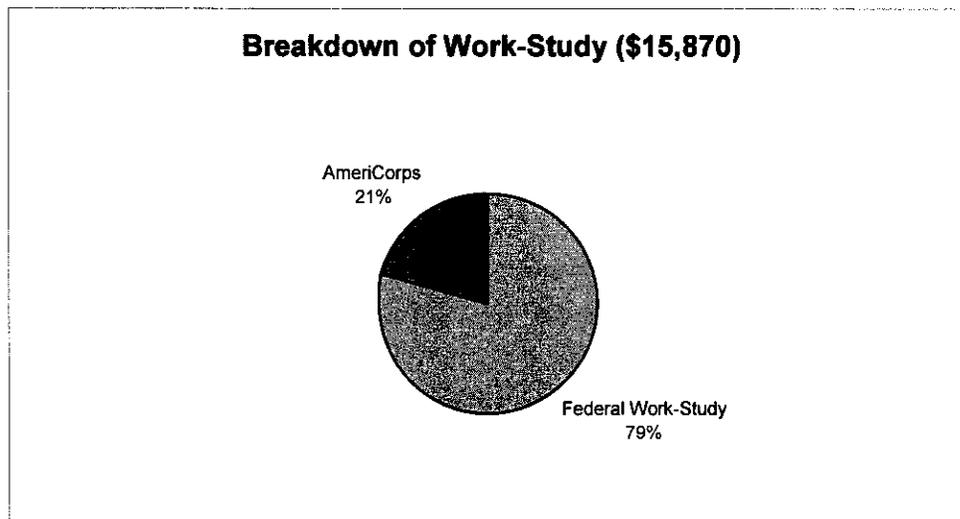


Subsidized Fed Direct Loans	227	\$721,929
Unsubsidized Fed Direct Loans	40	\$92,457
Total Loans*	227	\$814,386

Texas A&M University-Texarkana, con't.



Pell Grant	301	\$667,544	Other Gift Aid		
Other Gift Aid	164	\$155,687	Other Grants & Scholarships	82	\$63,382
TX Pub. Educational Grants (TPEG)	84	\$134,162	Supplemental Ed. Oppty. Grants	45	\$35,638
Categorical Aid	85	\$113,875	TEXAS Grant	10	\$24,147
Total Grants and Scholarships*	339	\$1,071,268	Exemptions & Waivers	15	\$20,527
			Student Deposit Scholarships	9	\$6,250
			Teach for TX Cond. Grant	1	\$3,752
			Pub.Stu. Incentive Gr/LEAP	2	\$1,991
			Other Gift Aid	164	\$155,687

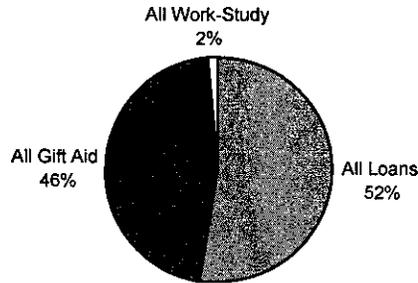


Federal Work-Study	18	\$12,564
AmeriCorps	2	\$3,306
Total Work-Study*	20	\$15,870

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

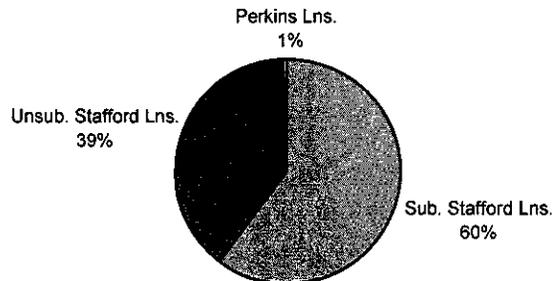
Texas Southern University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$53,772,611)



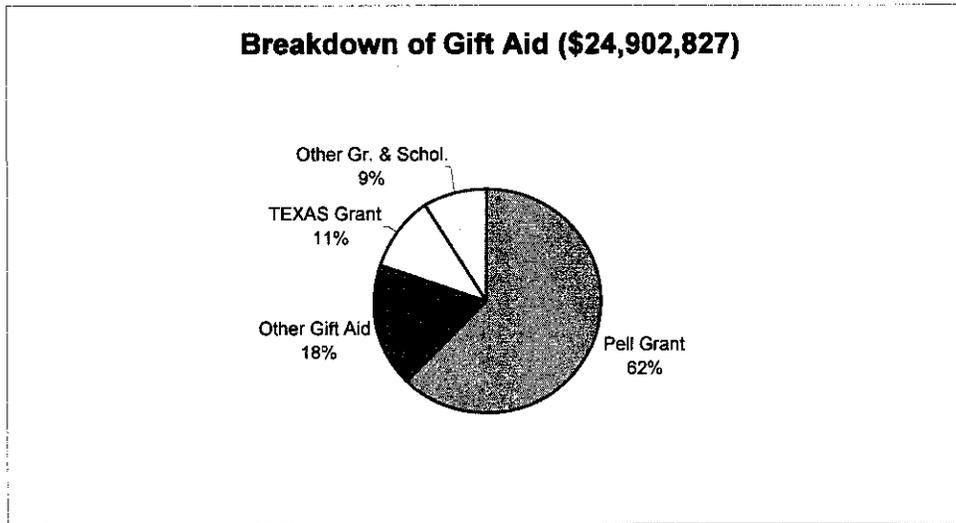
All Loans	5,030	\$28,050,989
All Gift Aid	5,655	\$24,902,827
All Work-Study	407	\$818,795
All Funds*	6,516	\$53,772,611

Breakdown of Loans (\$28,050,989)

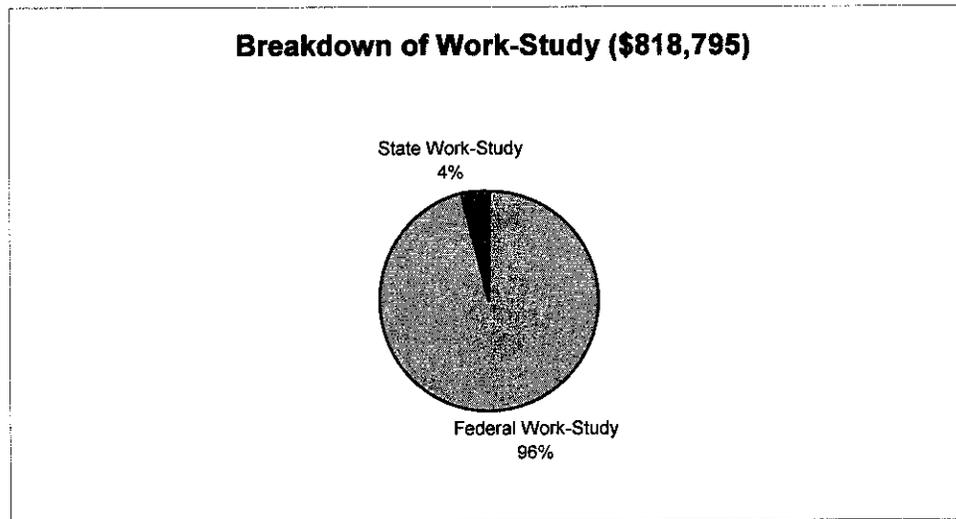


Subsidized Stafford Loans	4,908	\$16,795,231
Unsubsidized Stafford Loans	2,778	\$11,073,473
Perkins Loans	71	\$182,285
Total Loans*	5,030	\$28,050,989

Texas Southern University, con't.



Pell Grant	5,157	\$15,501,591	Other Gift Aid		
Other Gift Aid	2,459	\$4,510,357	TX Pub. Educational Gr. (TPEG)	1,173	\$1,813,974
TEXAS Grant	947	\$2,631,623	Exemptions & Waivers	289	\$1,323,134
Other Grants & Scholarships	762	\$2,259,256	Supplemental Ed. Oppty. Grants	561	\$799,254
Total Grants and Scholarships*	5,655	\$24,902,827	Categorical Aid	388	\$537,490
			Pub.Stu. Incentive Gr/LEAP	37	\$32,205
			<u>Special Leveraging Ed. Asst. Gr.</u>	<u>11</u>	<u>\$4,300</u>
			Other Gift Aid	2,459	\$4,510,357

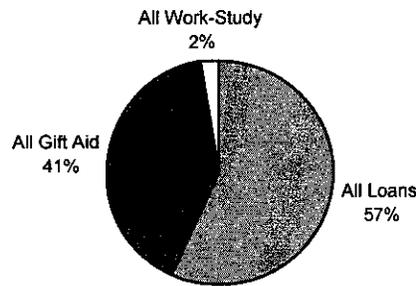


Federal Work-Study	399	\$787,882
State Work-Study	10	\$30,913
Total Work-Study*	407	\$818,795

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

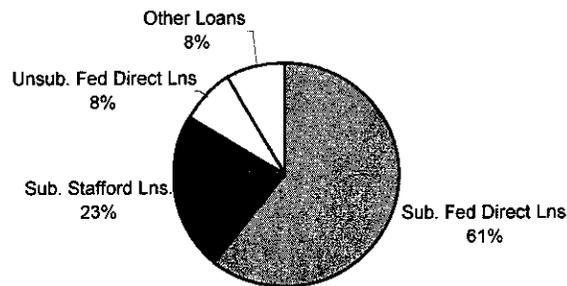
Texas State University-San Marcos
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$56,880,349)



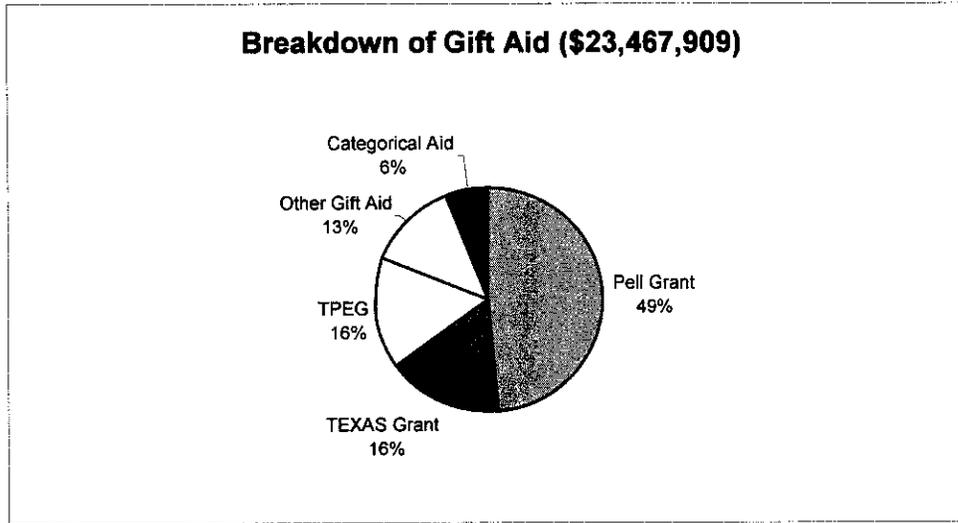
All Loans	6,738	\$32,217,461
All Gift Aid	5,666	\$23,467,909
All Work-Study	743	\$1,194,979
All Funds*	7,786	\$56,880,349

Breakdown of Loans (\$32,217,461)

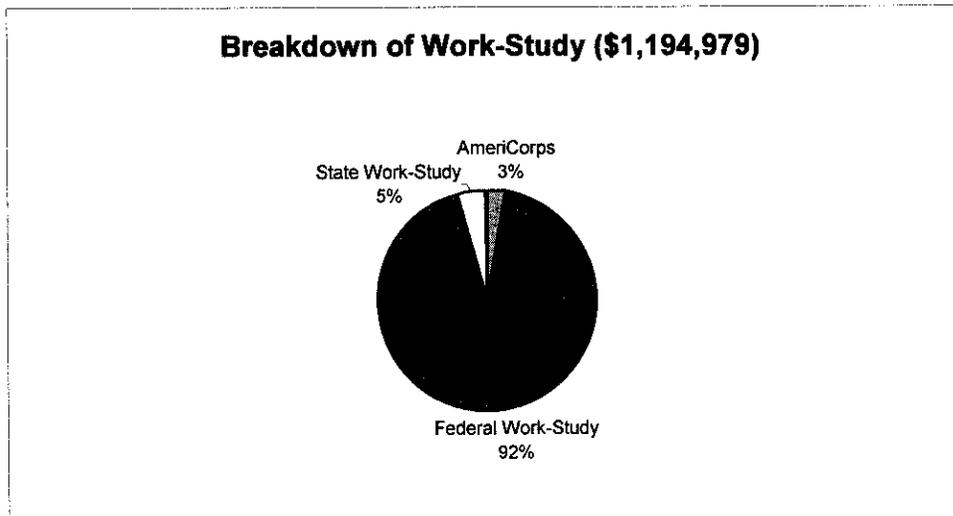


Subsidized Fed Direct Loans	4,883	\$19,565,523	Other Loans		
Subsidized Stafford Loans	737	\$7,395,640	Unsubsidized Stafford Loans	418	\$1,620,485
Unsubsidized Fed Direct Loans	1,695	\$2,615,263	Other Long-term Loans	108	\$616,803
Other Loans	222	\$2,641,035	College Access Loans	70	\$270,348
Total Loans*	6,738	\$32,217,461	PLUS Loans	24	\$88,462
			Perkins Loans	20	\$44,937
			Other Loans	222	\$2,641,035

Texas State University-San Marcos, con't.



Pell Grant	4,554	\$11,409,947	Other Gift Aid		
TEXAS Grant	1,344	\$3,823,580	Other Grants & Scholarships	562	\$1,199,101
TX Public Educational Gr.(TPEG)	3,014	\$3,767,988	Supplemental Ed. Oppty. Grants	542	\$837,040
Other Gift Aid	1,625	\$3,002,081	Exemptions & Waivers	221	\$677,960
Categorical Aid	673	\$1,464,313	Student Deposit Scholarship	224	\$122,163
Total Grants and Scholarships*	5,666	\$23,467,909	Teach for TX Conditional Gr.	21	\$92,552
			Pub.Stu. Incentive Gr/LEAP	55	\$73,265
			Other Gift Aid	1,625	\$3,002,081

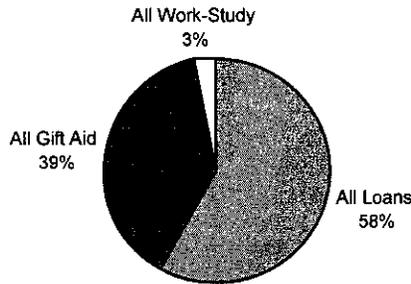


Federal Work-Study	727	\$1,109,815
State Work-Study	50	\$54,284
AmeriCorps	18	\$30,880
Total Work-Study*	743	\$1,194,979

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

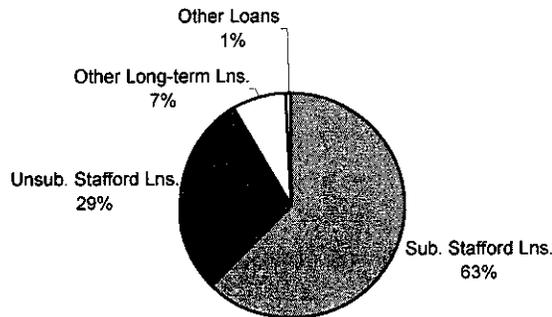
Texas Tech University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$63,313,147)



All Loans	5,303	\$36,834,697
All Gift Aid	6,102	\$24,686,689
All Work-Study	536	\$1,791,761
All Funds*	6,611	\$63,313,147

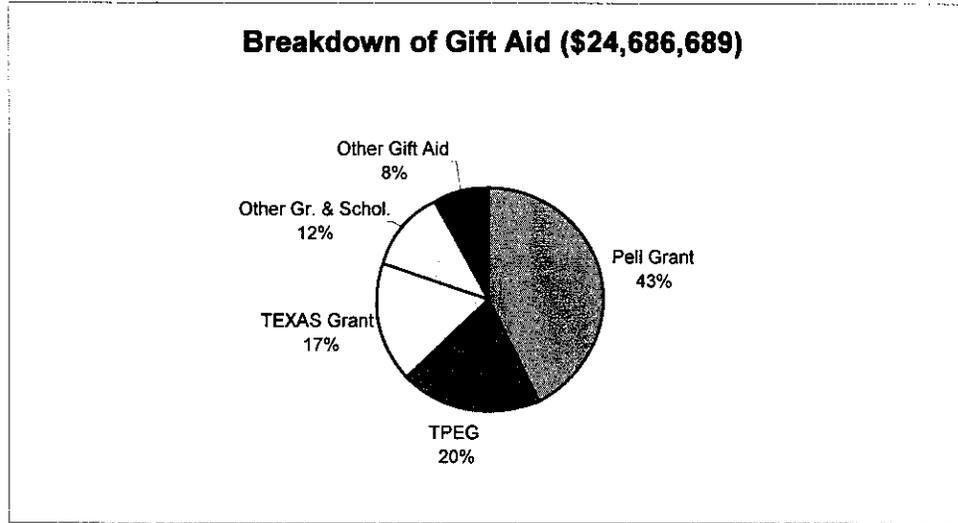
Breakdown of Loans (\$36,834,697)



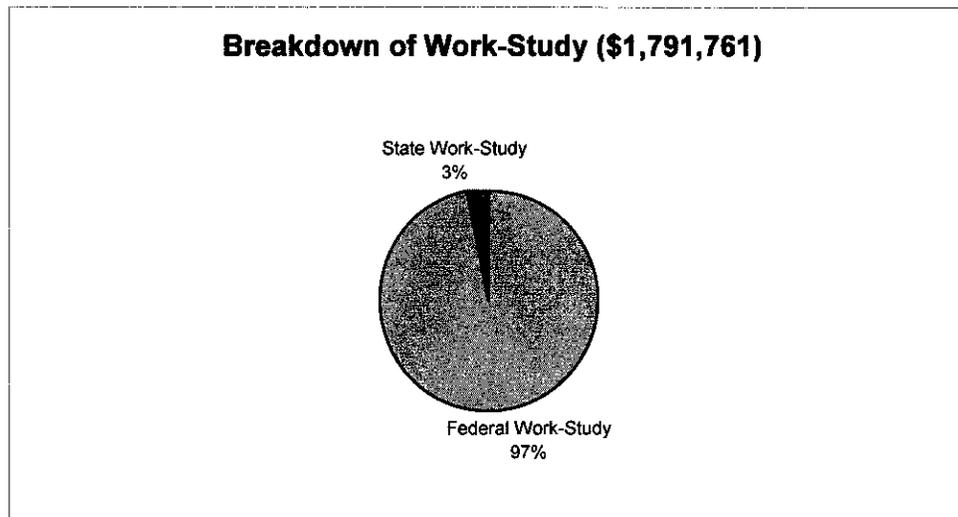
Subsidized Stafford Loans	4,968	\$22,954,977
Unsubsidized Stafford Loans	2,304	\$10,800,293
Other Long-term Loans	571	\$2,760,792
Other Loans	93	\$318,635
Total Loans*	5,303	\$36,834,697

Other Loans		
College Access Loans	63	\$232,118
Perkins Loans	30	\$86,517
Other Loans	93	\$318,635

Texas Tech University, con't.



Pell Grant	3,914	\$10,556,292	Other Gift Aid		
TX Pub. Educational Grant (TPEG)	3,952	\$4,936,917	Supplemental Ed. Oppty. Grants	911	\$986,124
TEXAS Grant	1,511	\$4,313,130	Categorical Aid	517	\$922,965
Other Grants & Scholarships	1,655	\$2,878,212	Pub.Stu. Incentive Gr/LEAP	31	\$54,150
Other Gift Aid	1,483	\$2,002,138	Byrd Scholarship	23	\$32,999
Total Grants and Scholarships*	6,102	\$24,686,689	Teach for TX Cond. Grant	1	\$5,900
			Other Gift Aid	1,483	\$2,002,138

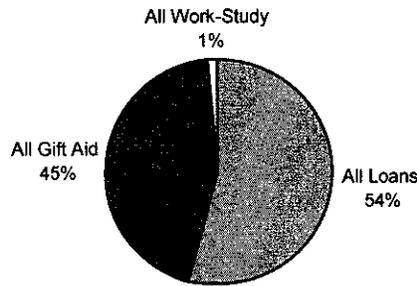


Federal Work-Study	535	\$1,736,117
State Work-Study	10	\$55,644
Total Work-Study*	536	\$1,791,761

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

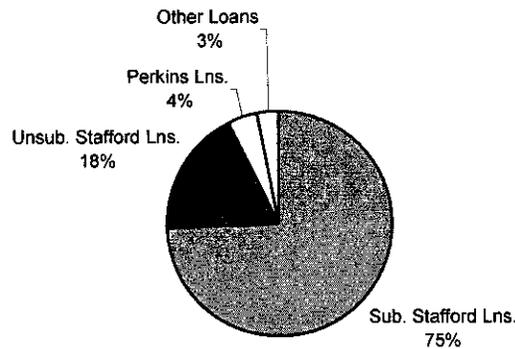
Texas Woman's University
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$15,879,915)



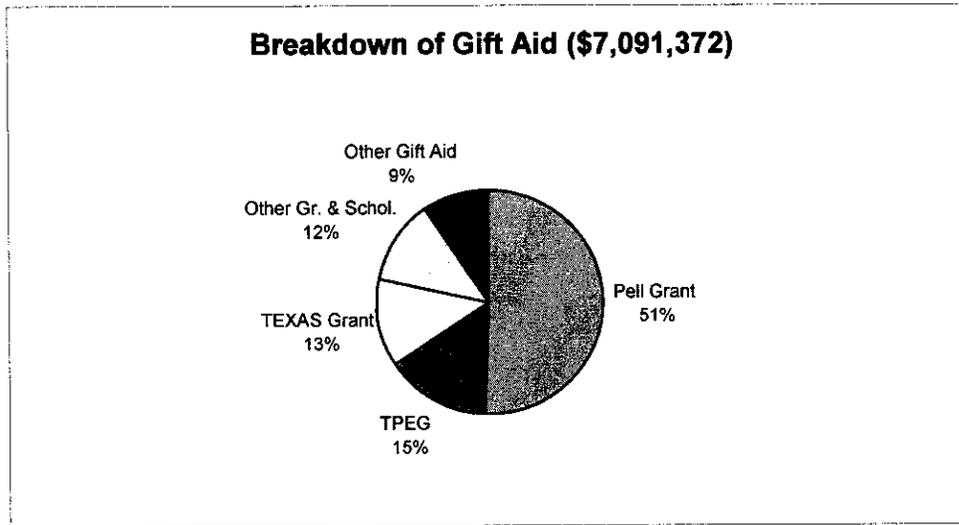
All Loans	1,553	\$8,582,345
All Gift Aid	1,832	\$7,091,372
All Work-Study	149	\$206,198
All Funds*	2,154	\$15,879,915

Breakdown of Loans (\$8,582,345)



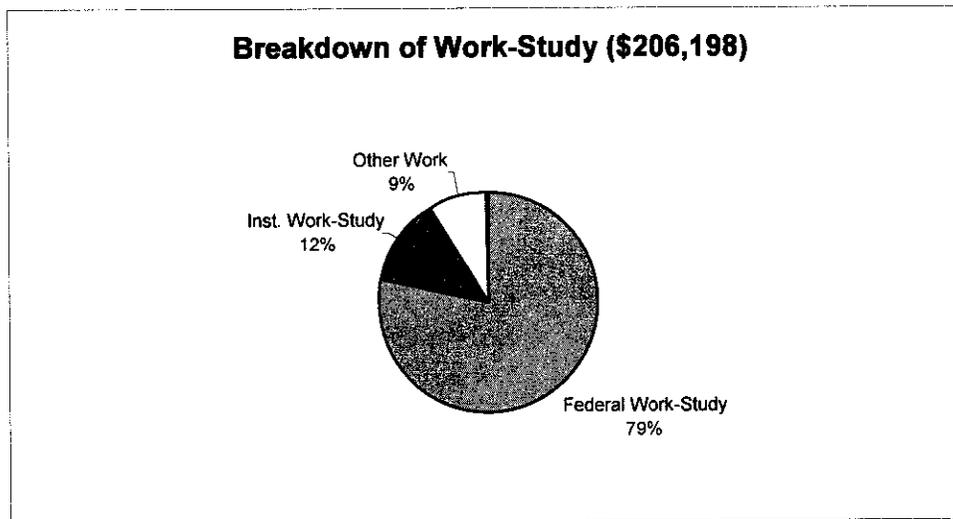
Subsidized Stafford Loans	1,491	\$6,360,045	Other Loans		
Unsubsidized Stafford Loans	514	\$1,579,702	Other Long-term Loans	59	\$210,062
Perkins Loans	79	\$370,755	College Access Loans	14	\$39,810
Other Loans	81	\$271,843	PLUS Loans	8	\$21,971
Total Loans*	1,553	\$8,582,345	Other Loans	81	\$271,843

Texas Woman's University, con't.



Pell Grant	1,339	\$3,566,173
TX Pub. Educational Grant (TPEG)	871	\$1,076,167
TEXAS Grant	319	\$905,263
Other Grants & Scholarships	521	\$877,908
Other Gift Aid	670	\$665,861
Total Grants and Scholarships*	1,832	\$7,091,372

Other Gift Aid		
Supplemental Ed. Oppty. Grants	470	\$399,862
Categorical Aid	148	\$183,158
Teach for TX Cond. Grant	5	\$23,855
Exemptions & Waivers	7	\$18,142
Student Deposit Scholarships	20	\$16,854
Pub.Stu. Incentive Gr/LEAP	13	\$16,174
Nursing Scholarships	2	\$5,500
Special Leveraging Ed. Asst. Gr.	5	\$2,316
Other Gift Aid	670	\$665,861

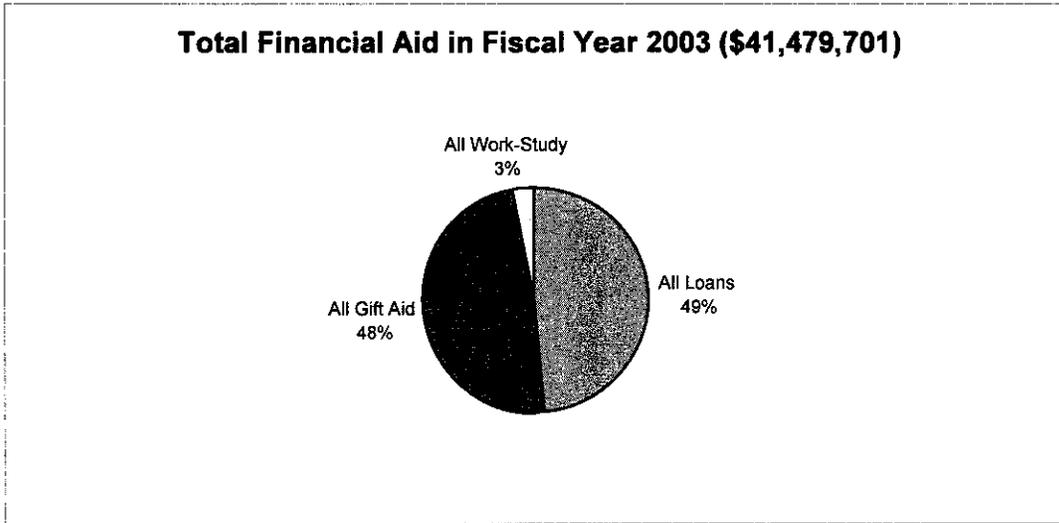


Federal Work-Study	128	\$162,360
Inst. Work-Study	18	\$25,345
Other Work	15	\$18,493
Total Work-Study*	149	\$206,198

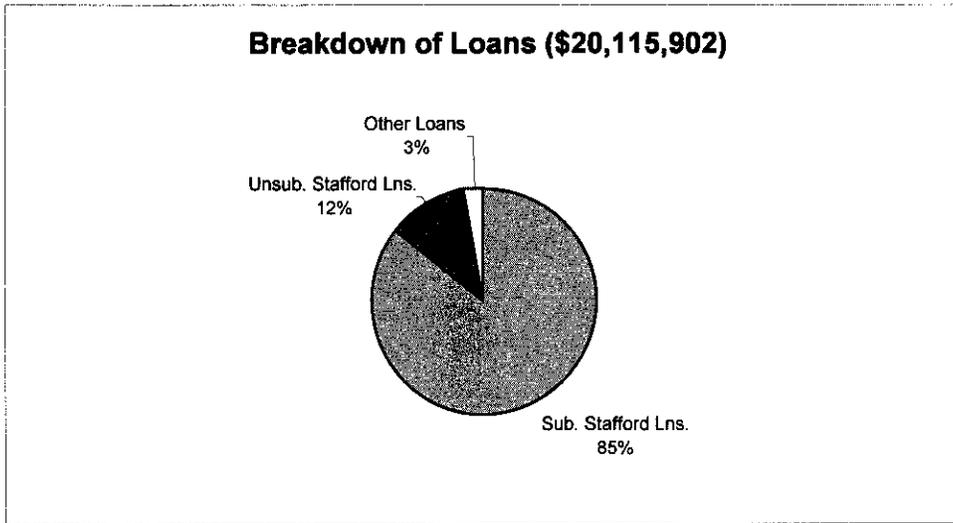
Other Work		
State Work-Study	13	\$16,085
AmeriCorps	2	\$2,408
Other Work	15	\$18,493

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

The University of Texas at Arlington
Fiscal Year 2003

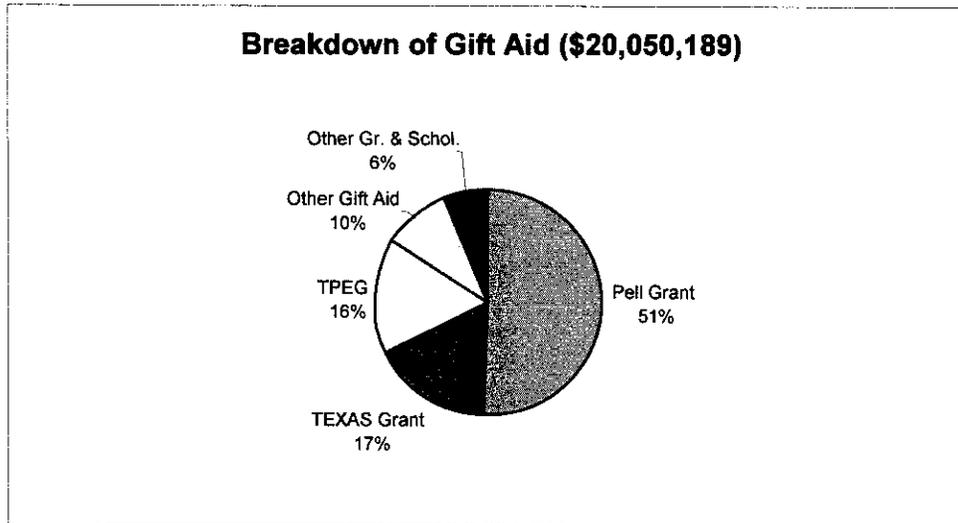


All Loans	4,704	\$20,115,902
All Gift Aid	5,308	\$20,050,189
All Work-Study	687	\$1,313,610
All Funds*	6,710	\$41,479,701

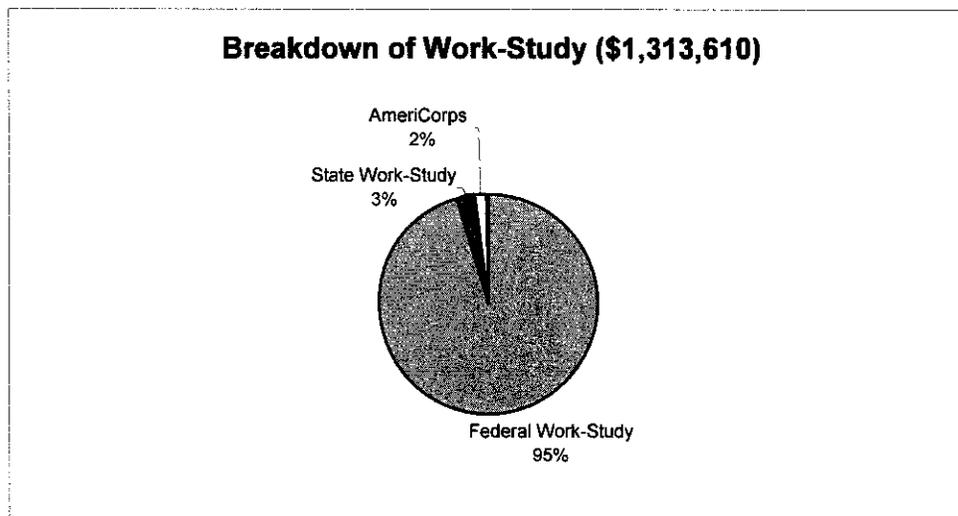


Subsidized Stafford Loans	4,566	\$17,282,790	Other Loans		
Unsubsidized Stafford Loans	786	\$2,315,411	Perkins Loans	142	\$436,187
Other Loans	171	\$517,701	PLUS Loans	16	\$43,536
Total Loans*	4,704	\$20,115,902	College Access Loans	13	\$37,978
			Other Loans	171	\$517,701

The University of Texas at Arlington, con't.



Pell Grant	4,151	\$10,076,370	Other Gift Aid		
TEXAS Grant	1,250	\$3,442,439	Supplemental Ed. Oppty. Grants	706	\$863,676
TX Pub. Educational Grant (TPEG)	3,001	\$3,290,063	Categorical Aid	495	\$790,116
Other Gift Aid	1,425	\$1,953,128	Student Deposit Scholarships	102	\$151,750
<u>Other Grants & Scholarships</u>	<u>825</u>	<u>\$1,288,189</u>	Exemptions & Waivers	73	\$101,984
Total Grants and Scholarships*	5,308	\$20,050,189	Pub.Stu. Incentive Gr./LEAP	25	\$34,600
			Special Leveraging Ed. Asst. Gr.	20	\$5,190
			Byrd Scholarship	3	\$3,312
			<u>Nursing Scholarship</u>	<u>1</u>	<u>\$2,500</u>
			Other Gift Aid	1,425	\$1,953,128

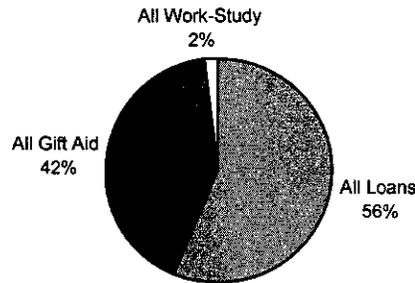


Federal Work-Study	675	\$1,252,234
State Work-Study	55	\$37,084
<u>AmeriCorps</u>	<u>15</u>	<u>\$24,292</u>
Total Work-Study*	687	\$1,313,610

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

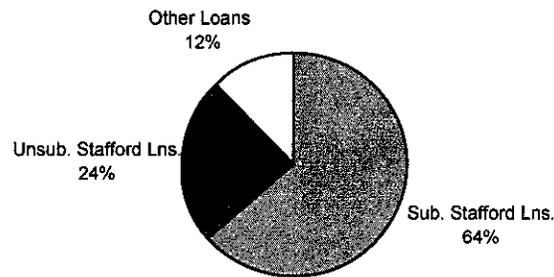
The University of Texas at Austin
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$131,819,353)



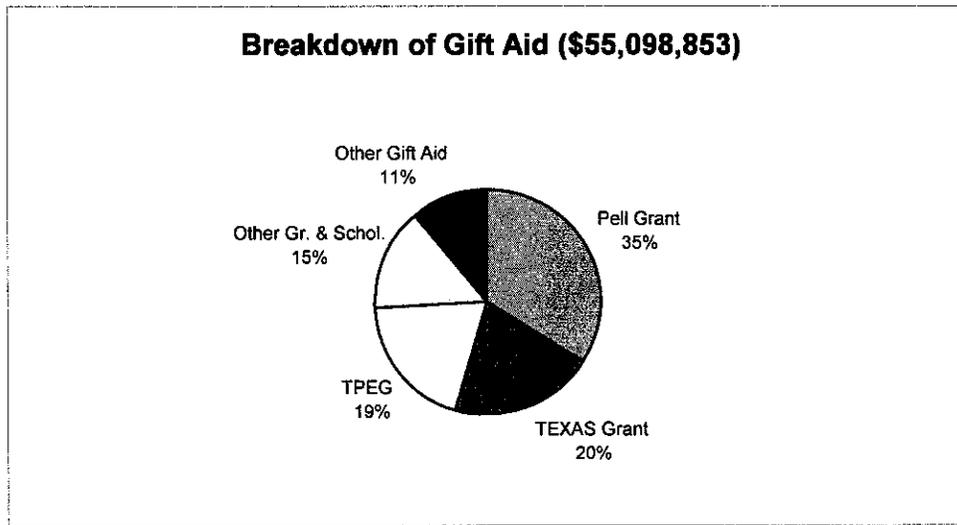
All Loans	10,532	\$74,045,757
All Gift Aid	10,940	\$55,098,853
All Work-Study	1,428	\$2,674,743
All Funds*	12,889	\$131,819,353

Breakdown of Loans (\$74,045,757)

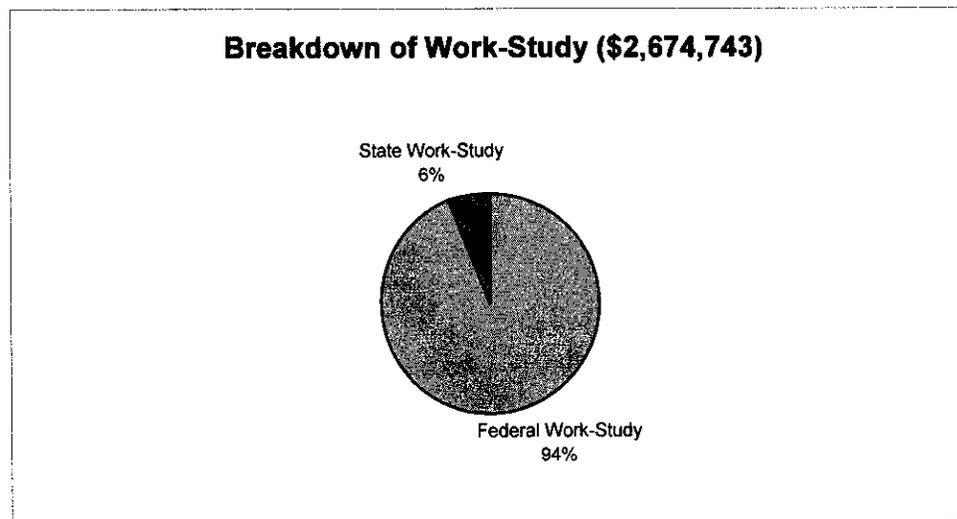


Subsidized Stafford Loans	9,624	\$47,062,747	Other Loans		
Unsubsidized Stafford Loans	3,215	\$18,002,710	Perkins Loans	2,169	\$6,677,222
Other Loans	2,656	\$8,980,300	Other Long-Term Loans	225	\$1,179,923
Total Loans*	10,532	\$74,045,757	College Access Loans	159	\$646,423
			PLUS Loans	103	\$476,732
			Other Loans	2,656	\$8,980,300

The University of Texas at Austin, con't.



Pell Grant	7,007	\$18,834,723	Other Gift Aid		
TEXAS Grant	3,753	\$11,233,303	Categorical Aid	1,619	\$3,813,023
TX Pub. Educational Grant (TPEG)	7,242	\$10,584,940	Supplemental Ed. Oppty. Grants	1,499	\$1,631,956
Other Grants & Scholarships	4,548	\$8,359,996	Exemptions & Waivers	40	\$239,288
Other Gift Aid	3,627	\$6,085,891	Student Deposit Scholarships	347	\$221,131
Total Grants and Scholarships*	10,940	\$55,098,853	Pub.Stu. Incentive Gr/LEAP	99	\$135,995
			Teach for Texas Cond. Grant	3	\$20,912
			Special Leveraging Ed. Asst. Gr.	18	\$18,086
			Nursing Scholarship	2	\$5,500
			Other Gift Aid	3,627	\$6,085,891

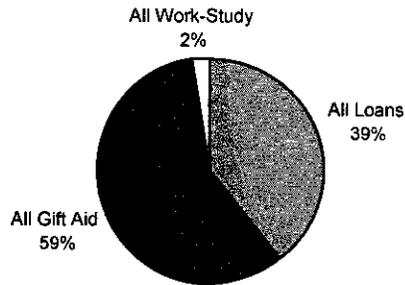


Federal Work-Study	1,420	\$2,517,202
State Work-Study	150	\$157,541
Total Work-Study*	1,428	\$2,674,743

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

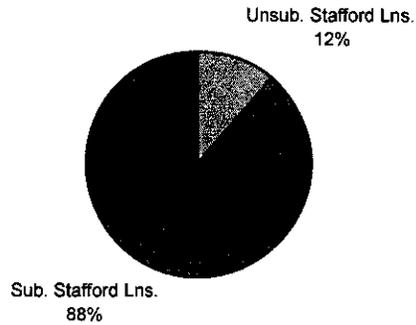
The University of Texas at Brownsville
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$11,768,647)



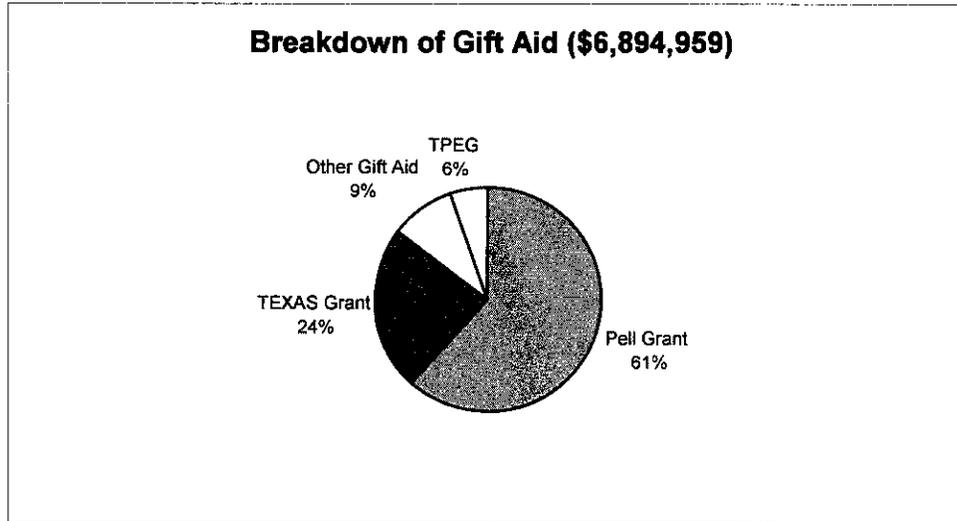
All Gift Aid	1,766	\$6,894,959
All Loans	968	\$4,618,170
All Work-Study	16	\$255,518
All Funds*	1,843	\$11,768,647

Breakdown of Loans (\$4,618,170)

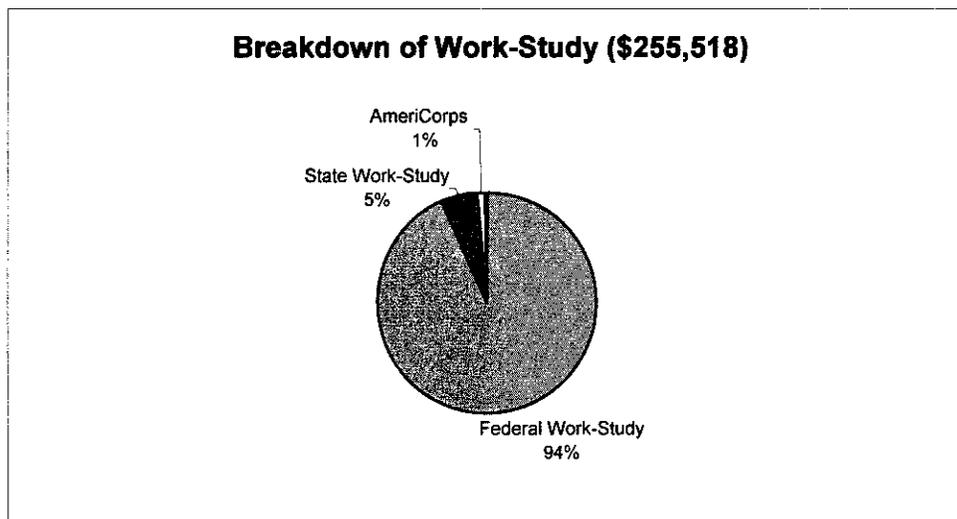


Subsidized Stafford Loans	155	\$4,081,111
Unsubsidized Stafford Loans	958	\$537,059
Total Loans*	968	\$4,618,170

The University of Texas at Brownsville, con't.



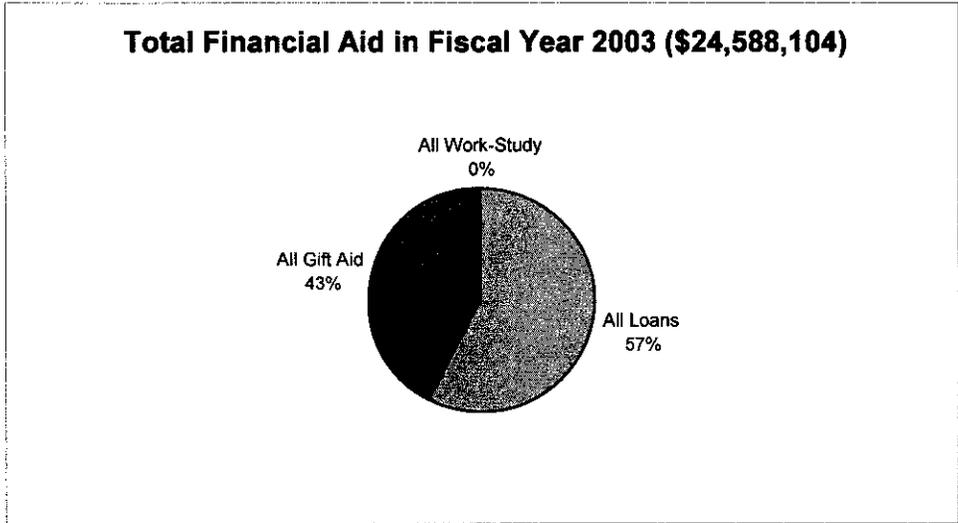
Pell Grant	1,505	\$4,228,132	Other Gift Aid		
TEXAS Grant	594	\$1,643,589	Exemptions & Waivers	113	\$190,616
Other Gift Aid	378	\$639,088	Categorical Aid	129	\$172,985
<u>TX Pub. Educational Grant (TPEG)</u>	<u>1,654</u>	<u>\$384,150</u>	Other Gr. & Schol.	203	\$132,678
Total Grants and Scholarships*	1,766	\$6,894,959	Teach for TX Cond. Grant	13	\$71,709
			Supplemental Ed. Oppty. Grants	147	\$52,556
			Pub.Stu. Incentive Gr/I.EAP	11	\$12,044
			<u>Nursing Scholarship</u>	<u>4</u>	<u>\$6,500</u>
			Other Gift Aid	378	\$639,088



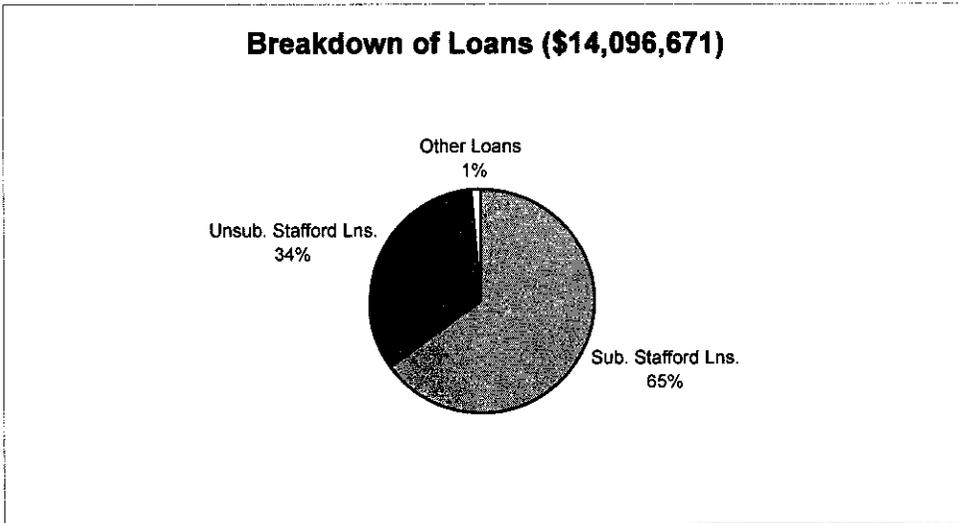
Federal Work-Study	121	\$238,719
State Work-Study	11	\$13,030
<u>AmeriCorps</u>	<u>1</u>	<u>\$3,769</u>
Total Work-Study*	16	\$255,518

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

The University of Texas at Dallas
Fiscal Year 2003

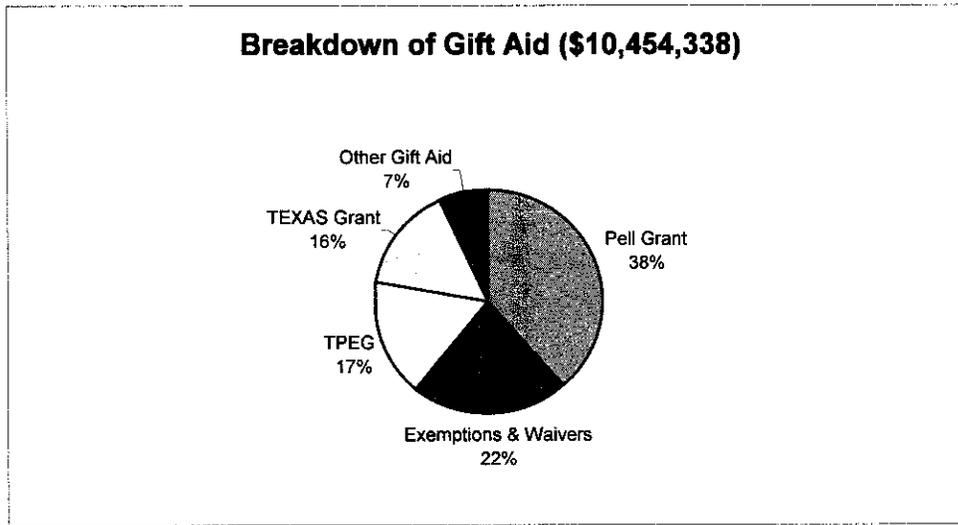


All Loans	2,173	\$14,096,671
All Gift Aid	2,655	\$10,454,338
All Work-Study	16	\$37,095
All Funds*	3,014	\$24,588,104

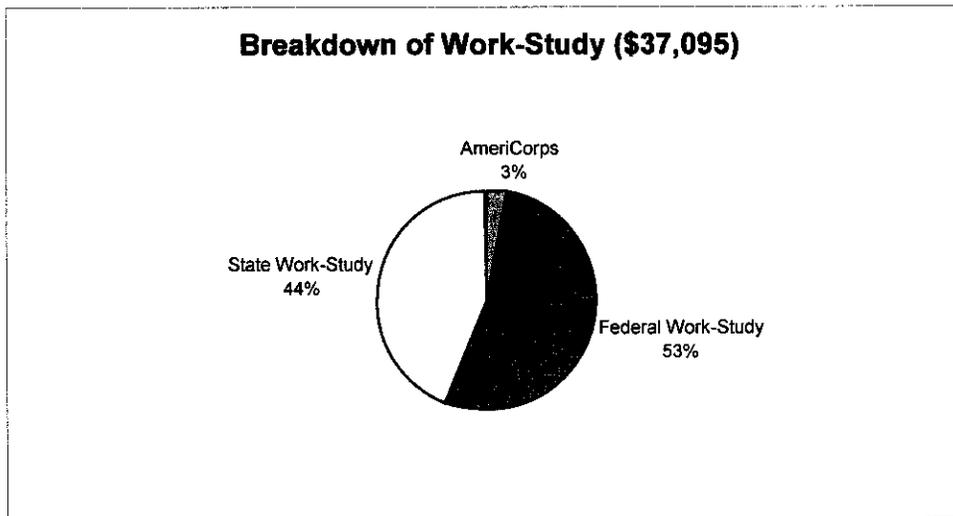


Subsidized Stafford Loans	2,073	\$9,160,149	Other Loans		
Unsubsidized Stafford Loans	1,246	\$4,752,625	Perkins Loans	155	\$179,913
Other Loans	156	\$183,897	Other Long-Term Loans	1	\$3,984
Total Loans*	2,173	\$14,096,671	Other Loans	156	\$183,897

The University of Texas at Dallas, con't.



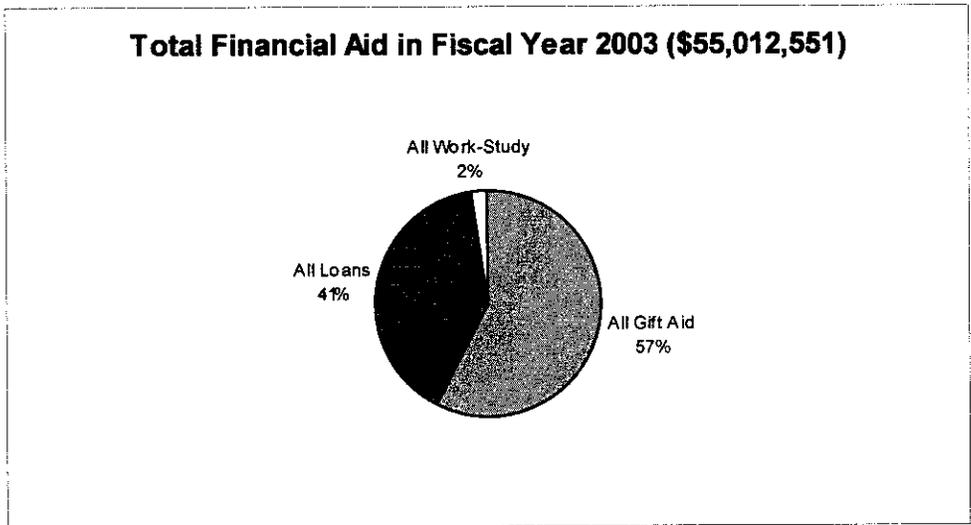
Pell Grant	1,550	\$4,041,004	Other Gift Aid		
Exemptions & Waivers	534	\$2,319,954	Categorical Aid	168	\$391,053
TX Pub. Educational Grant (TPEG)	1,654	\$1,733,338	Supplemental Ed. Oppy. Grants	218	\$188,750
TEXAS Grant	555	\$1,636,549	Other Gr. & Schol.	74	\$121,476
Other Gift Aid	481	\$723,493	Pub.Stu. Incentive Gr/LEAP	19	\$19,339
Total Grants and Scholarships*	2,655	\$10,454,338	Byrd Scholarship	2	\$2,875
			Other Gift Aid	481	\$723,493



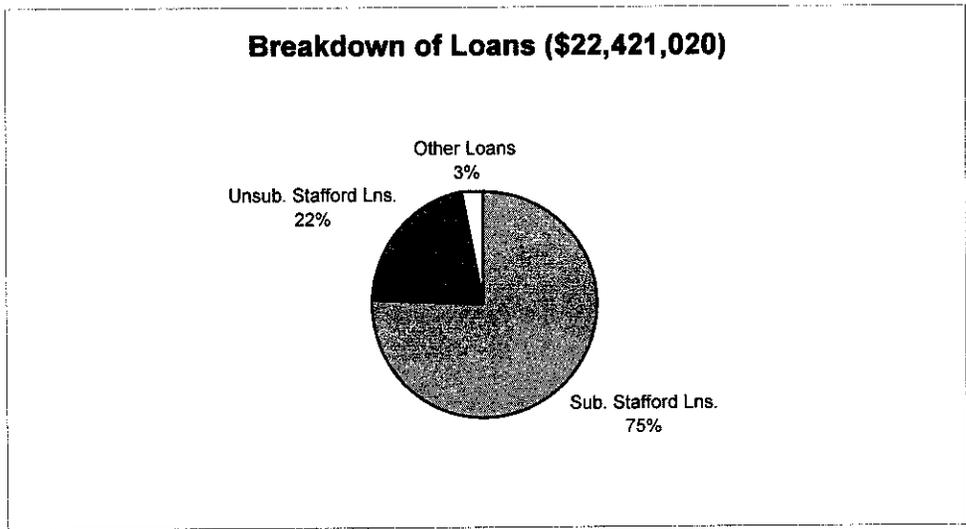
Federal Work-Study	7	\$19,501
State Work-Study	9	\$16,413
AmeriCorps	1	\$1,181
Total Work-Study*	16	\$37,095

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

The University of Texas at El Paso
Fiscal Year 2003

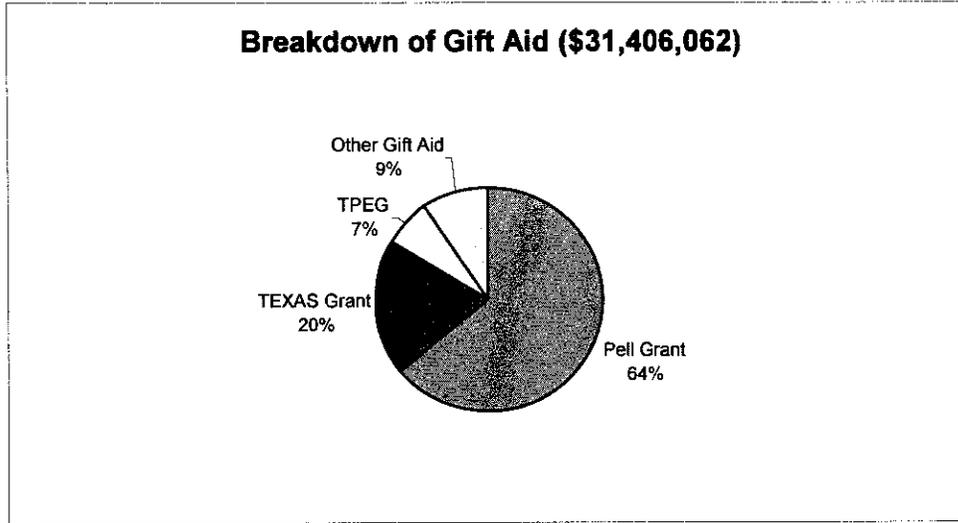


All Gift Aid	7,820	\$31,406,062
All Loans	4,755	\$22,421,020
All Work-Study	578	\$1,185,469
All Funds*	8,877	\$55,012,551

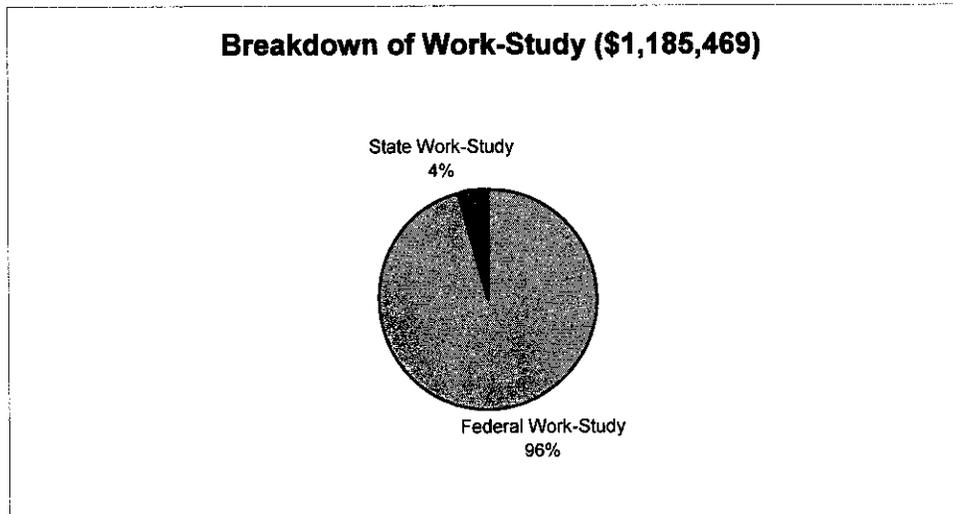


Subsidied Stafford Loans	4,617	\$16,920,976	Other Loans		
Unsubsidized Stafford Loans	1,544	\$4,875,233	Perkins Loans	202	\$598,927
Other Loans	208	\$624,811	PLUS Loans	6	\$25,884
Total Loans*	4,755	\$22,421,020	Other Loans	208	\$624,811

The University of Texas at El Paso, con't.



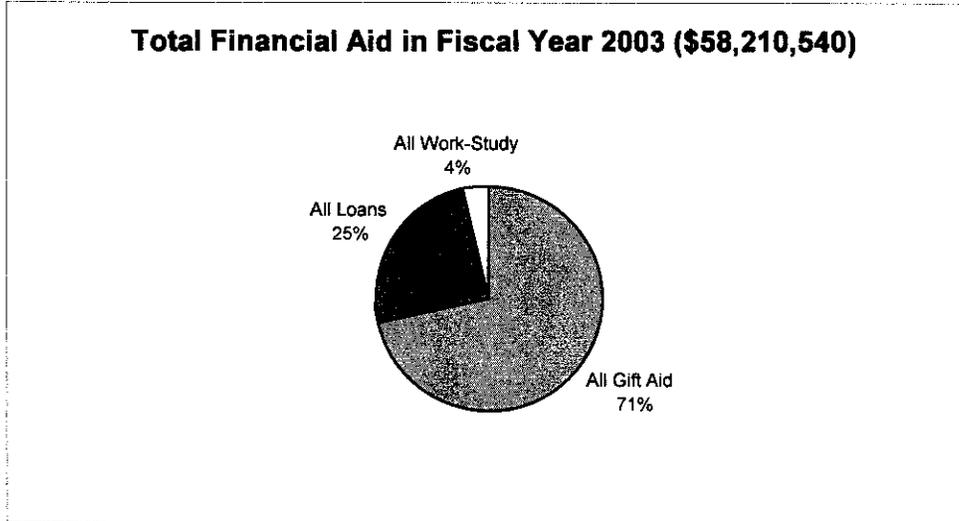
Pell Grant	7,120	\$20,085,276	Other Gift Aid		
TEXAS Grant	2,301	\$6,131,291	Other Grants & Scholarships	739	\$1,017,095
Other Gift Aid	2,770	\$2,956,224	Supplemental Ed. Oppty. Grants	1,209	\$774,688
<u>TX Pub. Educational Grants (TPEG)</u>	<u>2,205</u>	<u>\$2,233,271</u>	Categorical Aid	309	\$497,994
Total Grants and Scholarships*	7,820	\$31,406,062	Exemptions & Waivers	382	\$453,421
			Student Deposit Scholarships	106	\$174,600
			Pub.Stu. Incentive Gr./LEAP	17	\$32,338
			<u>Special Leveraging Ed. Asst. Gr.</u>	<u>8</u>	<u>\$6,088</u>
			Other Gift Aid	2,770	\$2,956,224



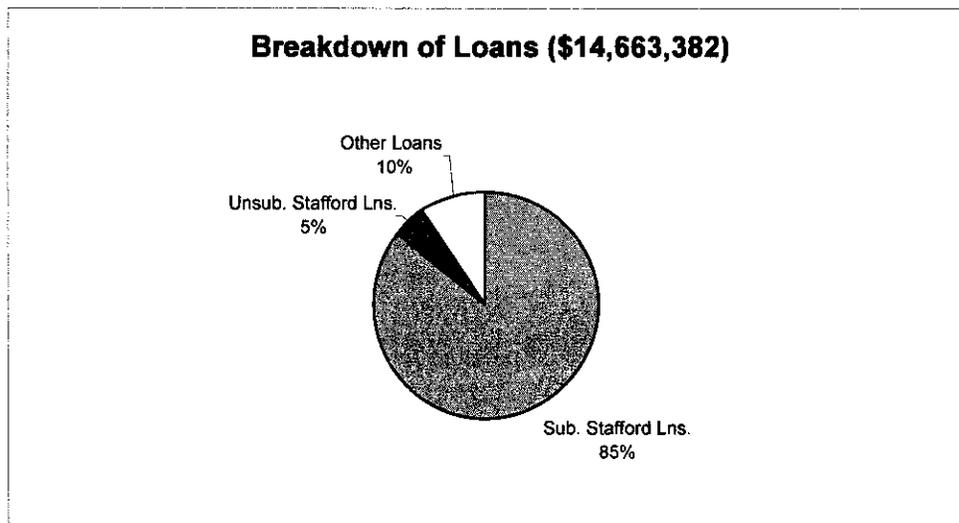
Federal Work-Study	573	\$1,134,004
State Work-Study	53	\$51,465
<u>Total Work-Study*</u>	<u>578</u>	<u>\$1,185,469</u>

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

The University of Texas-Pan American
Fiscal Year 2003

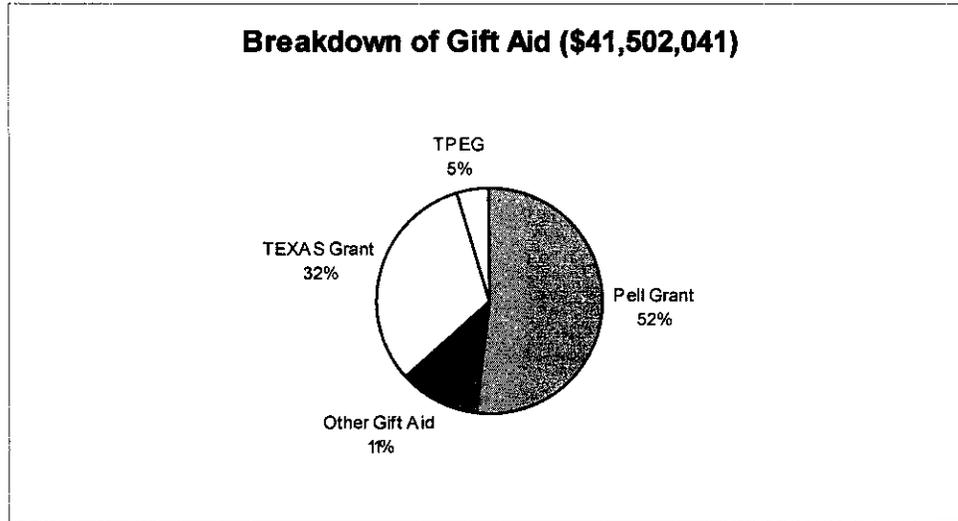


All Gift Aid	8,956	\$41,502,041
All Loans	3,797	\$14,663,382
All Work-Study	1,033	\$2,045,117
All Funds*	9,290	\$58,210,540

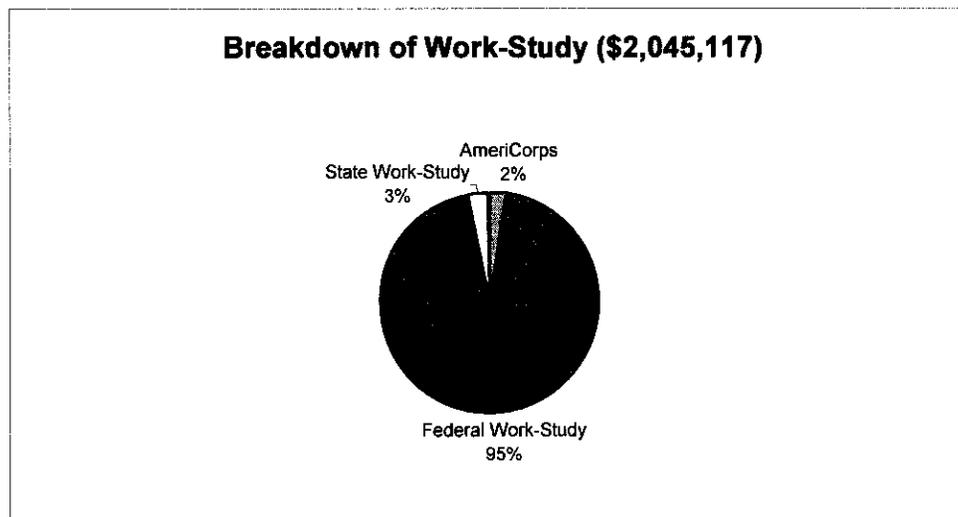


Subsidized Stafford Loans	3,470	\$12,599,995	Other Loans		
Other Loans	570	\$1,399,810	Perkins Loans	568	\$1,395,810
Unsubsidized Stafford Loans	245	\$663,577	PLUS Loans	2	\$4,000
Total Loans*	3,797	\$14,663,382	Other Loans	570	\$1,399,810

The University of Texas-Pan American, con't.



Pell Grant	1,578	\$21,459,006	Other Gift Aid		
TEXAS Grant	4,099	\$13,380,049	Other Grants & Scholarships	1,588	\$2,644,849
Other Gift Aid	689	\$4,740,913	Supplemental Ed. Oppty. Grants	805	\$688,171
<u>TX Pub. Educational Grants (TPEG)</u>	<u>2,766</u>	<u>\$1,922,073</u>	Exemptions & Waivers	347	\$638,699
Total Grants and Scholarships*	8,956	\$41,502,041	Categorical Aid	193	\$622,488
			Pub.Stu. Incentive Gr/LEAP	87	\$63,236
			Teach for Texas Cond. Grant	10	\$49,095
			Student Deposit Scholarships	46	\$22,875
			Byrd Scholarship	4	\$6,000
			<u>Nursing Scholarship</u>	<u>2</u>	<u>\$5,500</u>
			Other Gift Aid	689	\$4,740,913

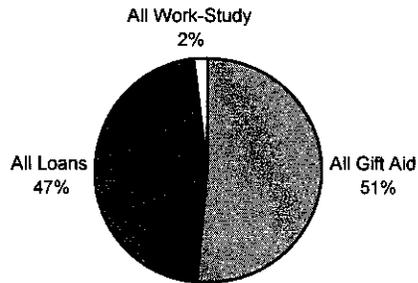


Federal Work-Study	967	\$1,930,608
State Work-Study	58	\$66,571
<u>AmeriCorps</u>	<u>59</u>	<u>\$47,938</u>
Total Work-Study*	1,033	\$2,045,117

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

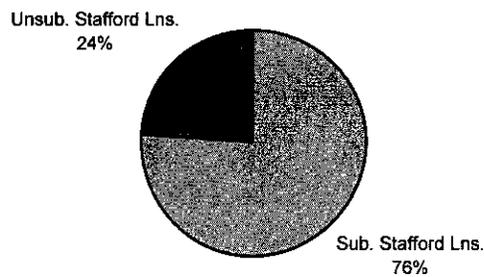
The University of Texas of the Permian Basin
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$6,483,388)



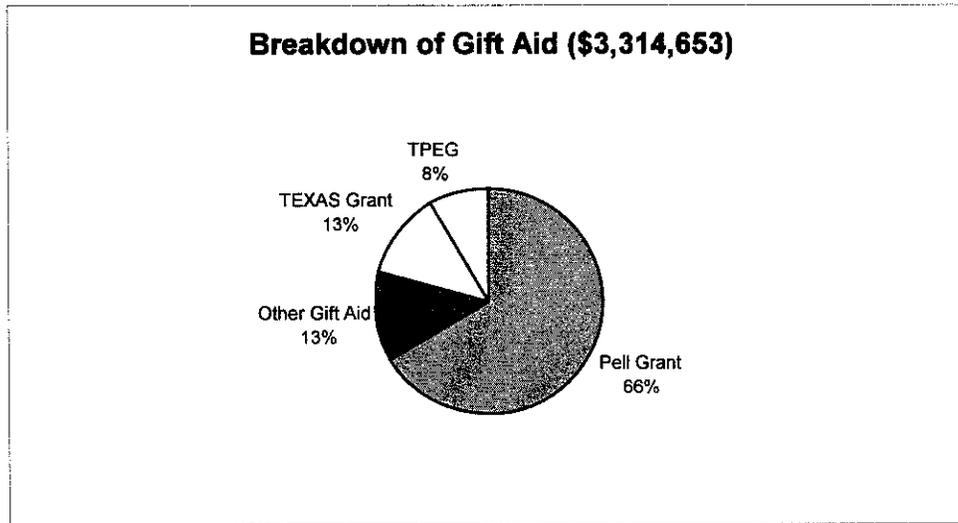
All Gift Aid	1,009	\$3,314,653
All Loans	733	\$3,050,098
All Work-Study	67	\$118,637
All Funds*	1,156	\$6,483,388

Breakdown of Loans (\$3,050,098)

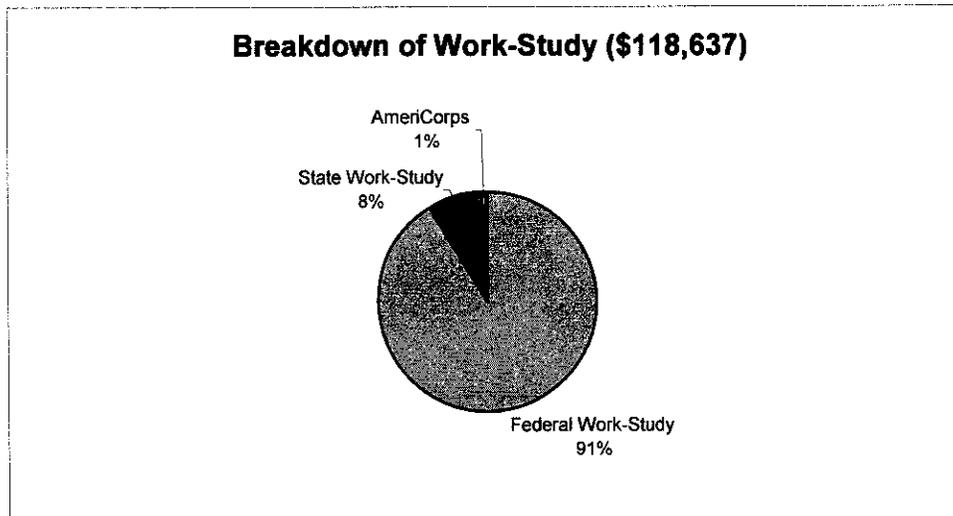


Subsidized Stafford Loans	711	\$2,319,327
Unsubsidized Stafford Loans	337	\$730,771
Total Loans*	1,055	\$3,050,098

The University of Texas of the Permian Basin, con't.



Pell Grant	851	\$2,197,947	Other Gift Aid		
Other Gift Aid	254	\$415,785	Categorical Aid	153	\$279,070
TEXAS Grant	174	\$421,724	Exemptions & Waivers	31	\$60,295
<u>TX Pub. Educational Grant (TPEG)</u>	<u>360</u>	<u>\$279,197</u>	Supplemental Ed. Oppty. Grants	38	\$34,772
Total Grants and Scholarships*	1,009	\$3,314,653	Other Grants & Scholarships	21	\$29,392
			Pub.Stu. Incentive Gr/LEAP	8	\$5,994
			Teach for Texas Cond. Grant	1	\$3,262
			<u>Student Deposit Scholarships</u>	<u>2</u>	<u>\$3,000</u>
			Other Gift Aid	254	\$415,785

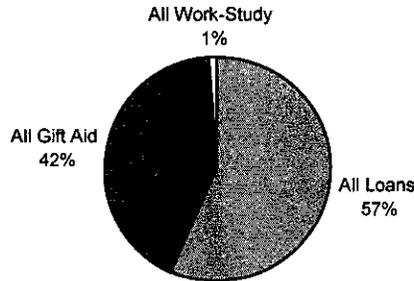


Federal Work-Study	66	\$108,109
State Work Study	13	\$9,690
AmeriCorps	1	\$829
<u>Total Work-Study*</u>	<u>67</u>	<u>\$118,637</u>

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

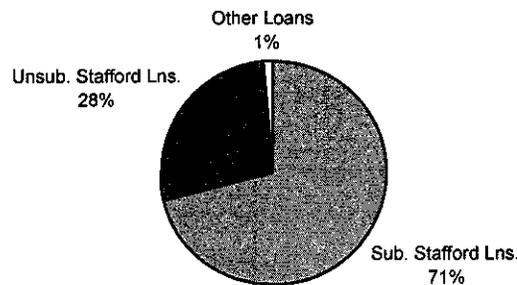
The University of Texas at San Antonio
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$72,140,042)



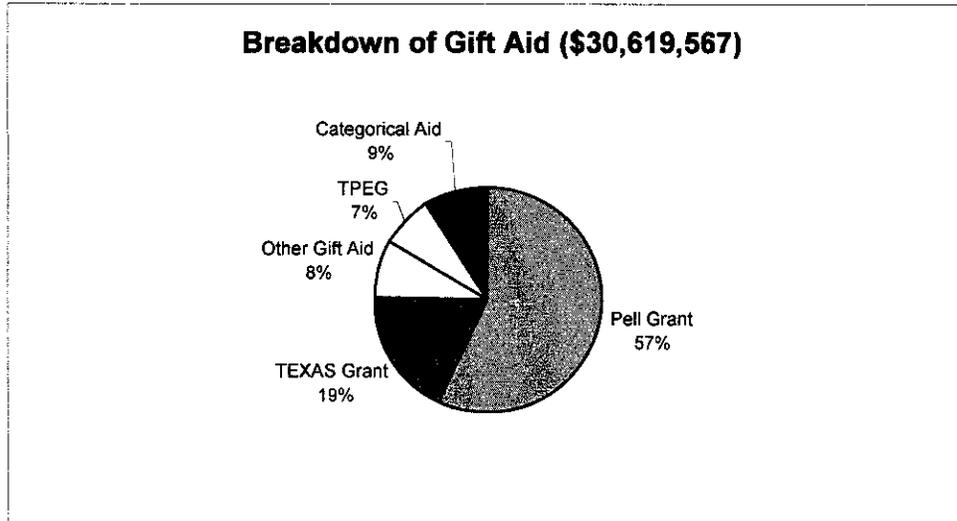
All Loans	7,926	\$40,625,027
All Gift Aid	8,178	\$30,619,567
All Work-Study	360	\$895,448
All Funds*	9,991	\$72,140,042

Breakdown of Loans (\$40,625,027)

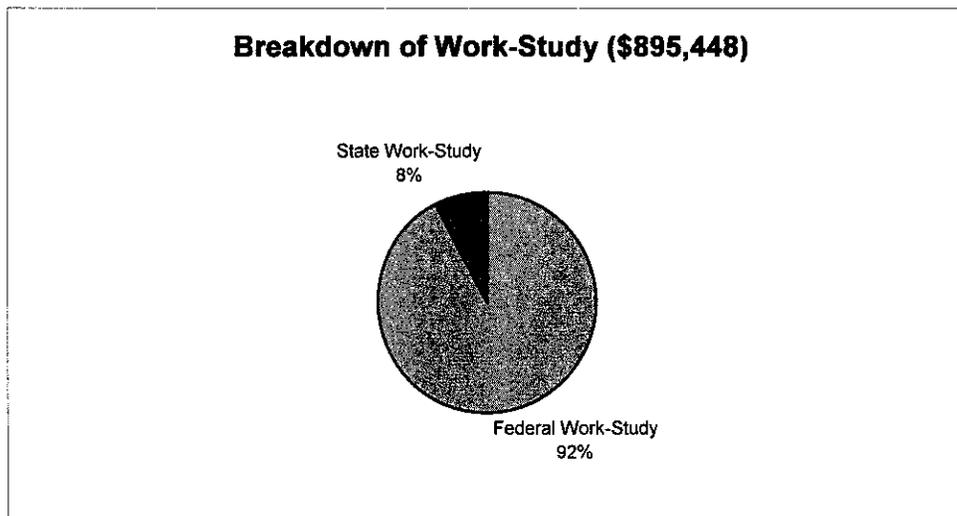


Subsidized Stafford Loans	7,727	\$28,861,369	Other Loans		
Unsubsidized Stafford Loans	3,070	\$11,243,527	Perkins Loans	255	\$463,989
Other Loans	272	\$520,131	PLUS Loans	17	\$56,142
Total Loans*	7,926	\$40,625,027	Other Loans	272	\$520,131

The University of Texas at San Antonio, con't.



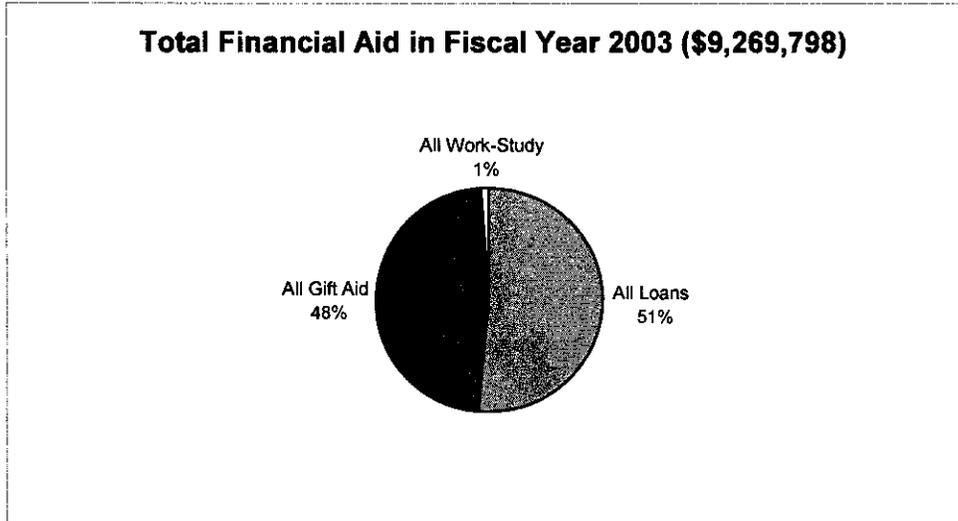
Pell Grant	6,844	\$17,324,111	Other Gift Aid		
TEXAS Grant	2,171	\$5,755,853	Other Grants & Scholarships	673	\$1,065,207
Other Gift Aid	2,237	\$2,458,145	Supplemental Ed. Oppty. Grants	799	\$736,839
TX Pub. Educational Grant (TPEG)	3,032	\$2,253,282	Exemptions & Waivers	200	\$457,595
Categorical Aid	1,326	\$2,828,176	Student Deposit Scholarships	471	\$138,529
Total Grants and Scholarships*	8,178	\$30,619,567	Pub.Stu. Incentive Gr/LEAP	75	\$54,305
			Special Leveraging Ed. Asst. Gr.	19	\$5,670
			Other Gift Aid	2,237	\$2,458,145



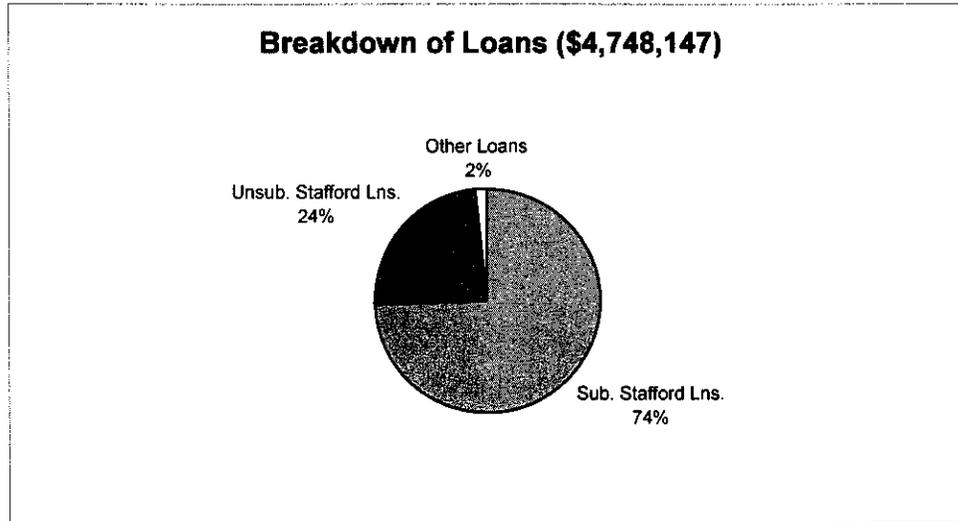
Federal Work-Study	366	\$826,174
State Work-Study	51	\$69,274
Total Work-Study*	360	\$895,448

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

The University of Texas at Tyler
Fiscal Year 2003

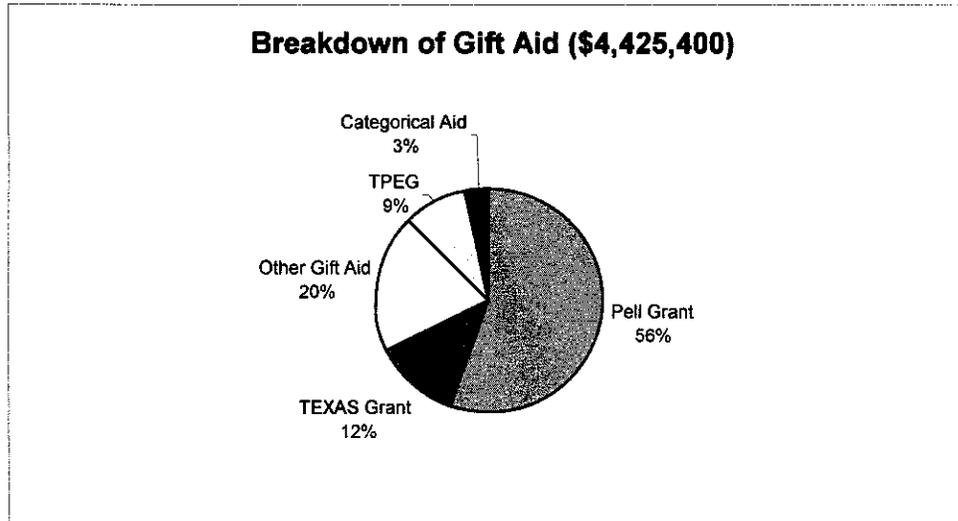


All Loans	1,000	\$4,748,147
All Gift Aid	1,315	\$4,425,400
All Work-Study	55	\$96,251
All Funds*	1,459	\$9,269,798

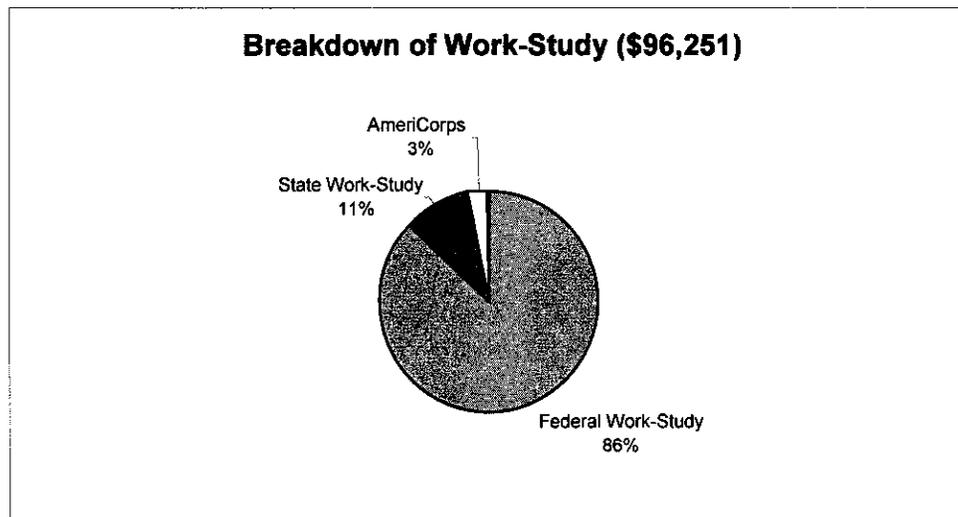


Subsidized Stafford Loans	970	\$3,524,961	Other Loans		
Unsubsidized Stafford Loans	518	\$1,149,343	Perkins Loans	28	\$71,139
Other Loans	29	\$73,843	PLUS Loans	1	\$2,704
Total Loans*	1,000	\$4,748,147	Other Loans	29	\$73,843

The University of Texas at Tyler, con't.



Pell Grant	1,049	\$2,443,969	Other Gift Aid		
Other Gift Aid	211	\$882,991	Other Grants & Scholarships	536	\$631,303
TEXAS Grant	209	\$549,155	Exemptions & Waivers	49	\$122,662
TX Pub. Educational Grant (TPEG)	516	\$397,661	Supplemental Ed. Oppty. Grants	107	\$85,270
Categorical Aid	103	\$151,624	Student Deposit Scholarships	40	\$18,095
Total Grants and Scholarships*	1,315	\$4,425,400	Teach for Texas Cond. Grant	3	\$14,012
			Pub.Stu. Incentive Gr/LEAP	11	\$10,149
			<u>Byrd Scholarship</u>	<u>1</u>	<u>\$1,500</u>
			Other Gift Aid	211	\$882,991

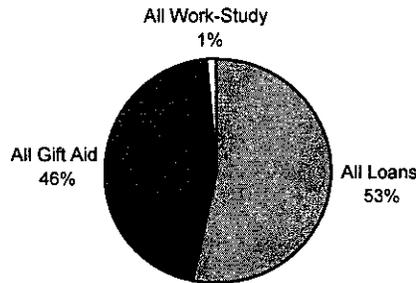


Federal Work-Study	50	\$83,572
State Work-Study	7	\$10,136
AmeriCorps	1	\$2,543
Total Work-Study*	55	\$96,251

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

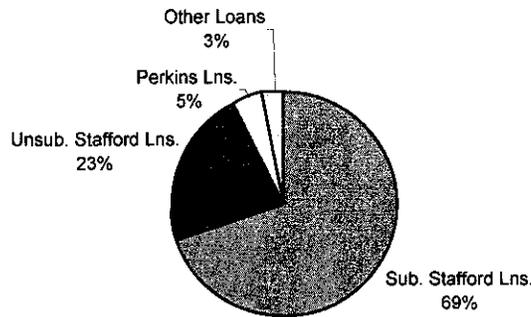
University of Houston
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$84,485,454)



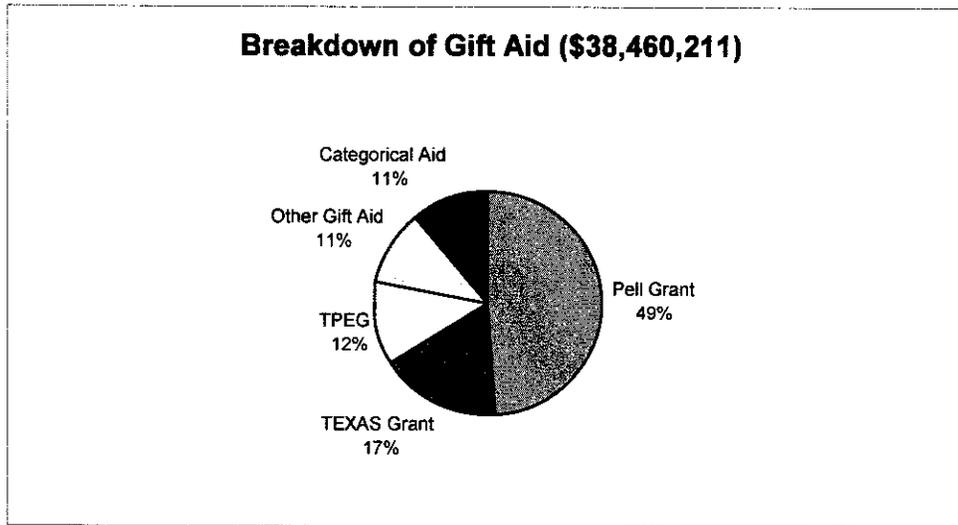
All Loans	7,472	\$44,902,727
All Gift Aid	9,043	\$38,460,211
All Work-Study	672	\$1,122,516
All Funds*	11,230	\$84,485,454

Breakdown of Loans (\$44,902,727)

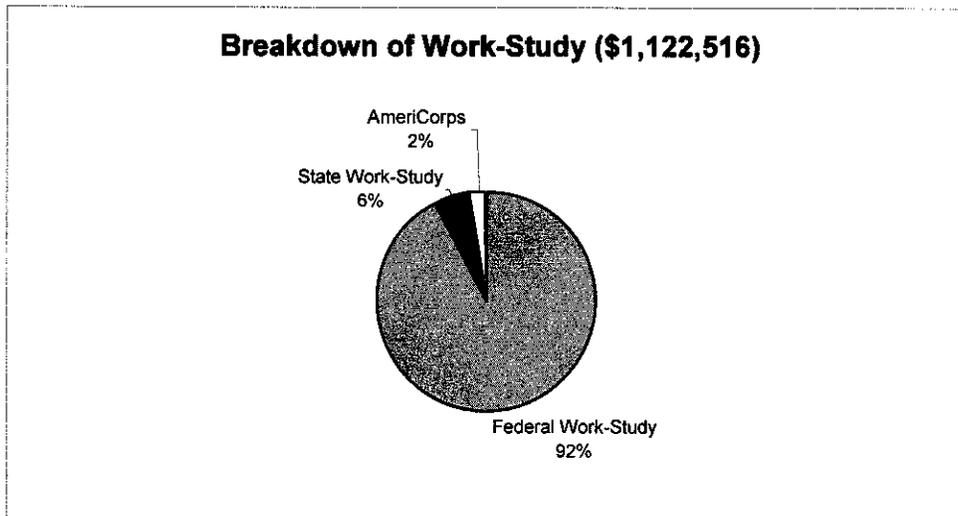


Subsidized Stafford Loans	7,222	\$31,251,838	Other Loans		
Unsubsidized Stafford Loans	1,930	\$10,424,109	Other Long-term Loans	148	\$836,690
Perkins Loans	713	\$2,021,734	PLUS Loans	73	\$346,479
Other Loans	226	\$1,205,046	College Access Loans	5	\$21,877
Total Loans*	7,472	\$44,902,727	Other Loans	226	\$1,205,046

University of Houston, con't.



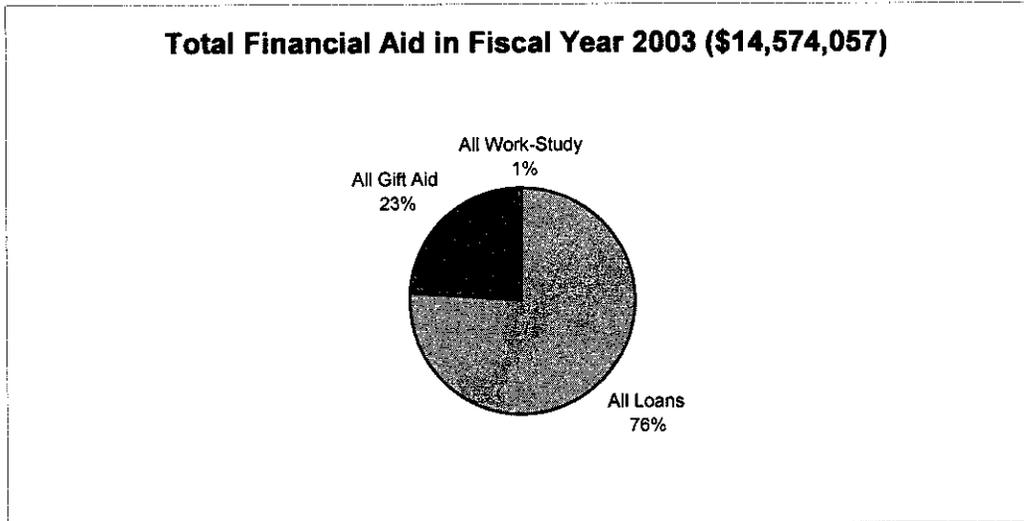
Pell Grant	7,040	\$18,825,675	Other Gift Aid		
TEXAS Grant	2,402	\$6,594,080	Other Grants & Scholarships	2,423	\$1,693,848
TX Pub. Educational Grant (TPEG)	4,325	\$4,527,253	Supplemental Ed. Oppty. Grants	1,659	\$1,542,753
Other Gift Aid	4,513	\$4,276,497	Exemptions & Waivers	159	\$817,215
Categorical Aid	2,145	\$4,236,706	Student Deposit Scholarships	203	\$135,907
Total Grants and Scholarships*	9,043	\$38,460,211	Pub.Stu. Incentive Gr/LLEAP	59	\$75,023
			<u>Byrd Scholarship</u>	<u>10</u>	<u>\$11,751</u>
			Other Gift Aid	4,513	\$4,276,497



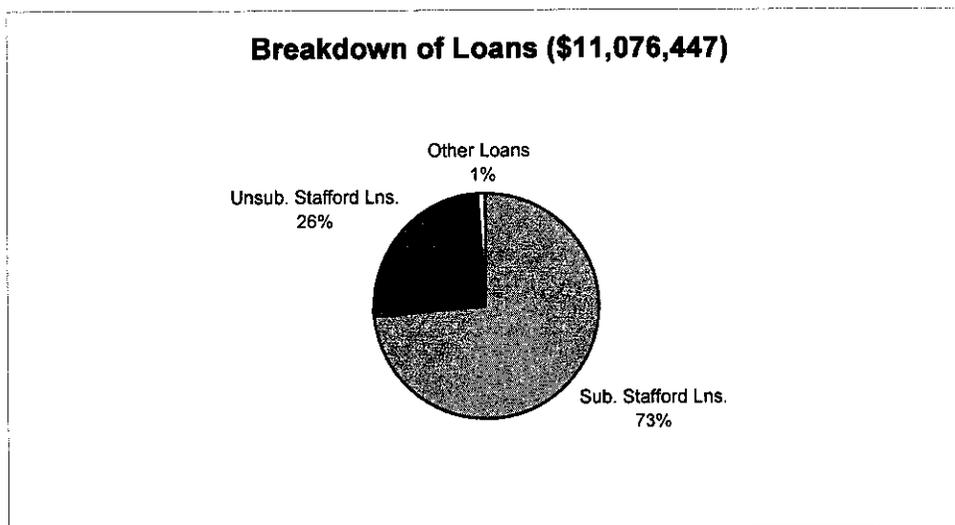
Federal Work-Study	601	\$1,034,508
State Work-Study	56	\$62,713
AmeriCorps	15	\$25,295
Total Work-Study*	672	\$1,122,516

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

University of Houston-Clear Lake
Fiscal Year 2003

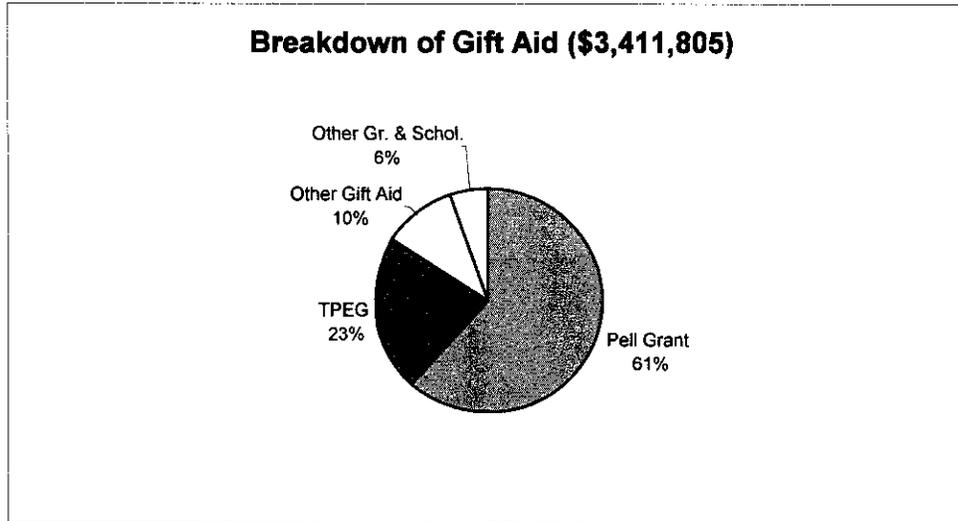


All Loans	1,718	\$11,076,447
All Gift Aid	1,357	\$3,411,805
All Work-Study	48	\$85,805
All Funds*	2,072	\$14,574,057

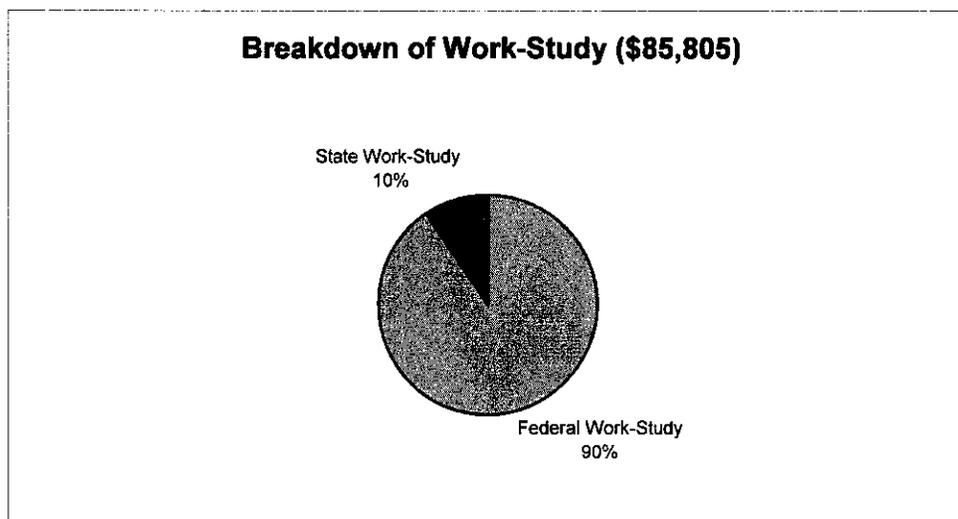


Subsidized Stafford Loans	1,675	\$8,126,626	Other Loans		
Unsubsidized Stafford Loans	889	\$2,841,121	Perkins Loans	34	\$63,000
Other Loans	43	\$108,700	Other Long-term Loans	8	\$43,500
Total Loans**	1,710	\$11,076,447	PLUS Loans	1	\$2,200
			Other Loans	43	\$108,700

University of Houston-Clear Lake, con't.



Pell Grant	885	\$2,093,665	Other Gift Aid		
TX Pub. Educational Grant (TPEG)	640	\$775,734	Supplemental Ed. Oppty. Grants	251	\$175,567
Other Gift Aid	361	\$353,354	Exemptions & Waivers	69	\$119,734
Other Grants & Scholarships	311	\$189,052	Categorical Aid	25	\$37,480
Total Grants and Scholarships*	1,357	\$3,411,805	TEXAS Grant	7	\$16,773
			Pub.Stu. Incentive Gr/LEAP	9	\$3,800
			Other Gift Aid	361	\$353,354

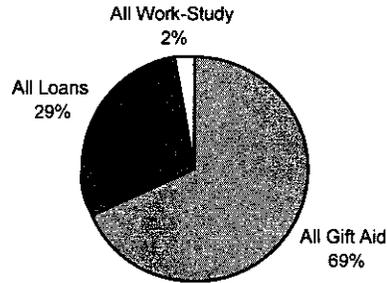


Federal Work-Study	47	\$77,591
State Work-Study	7	\$8,214
Total Work-Study*	48	\$85,805

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

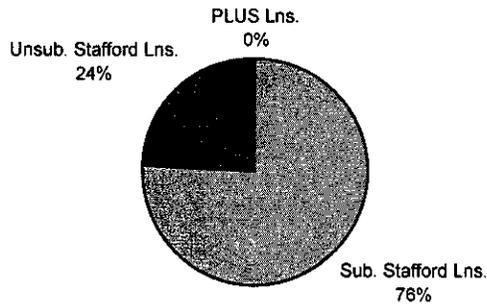
University of Houston-Downtown
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$16,515,004)



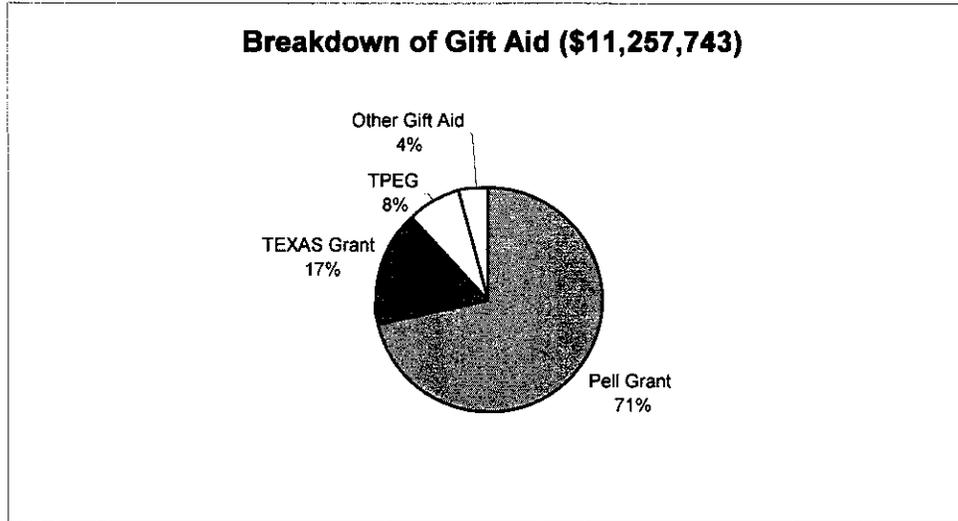
All Gift Aid	3,460	\$11,257,743
All Loans	1,139	\$4,859,217
All Work-Study	208	\$398,044
All Funds*	3,705	\$16,515,004

Breakdown of Loans (\$4,859,217)

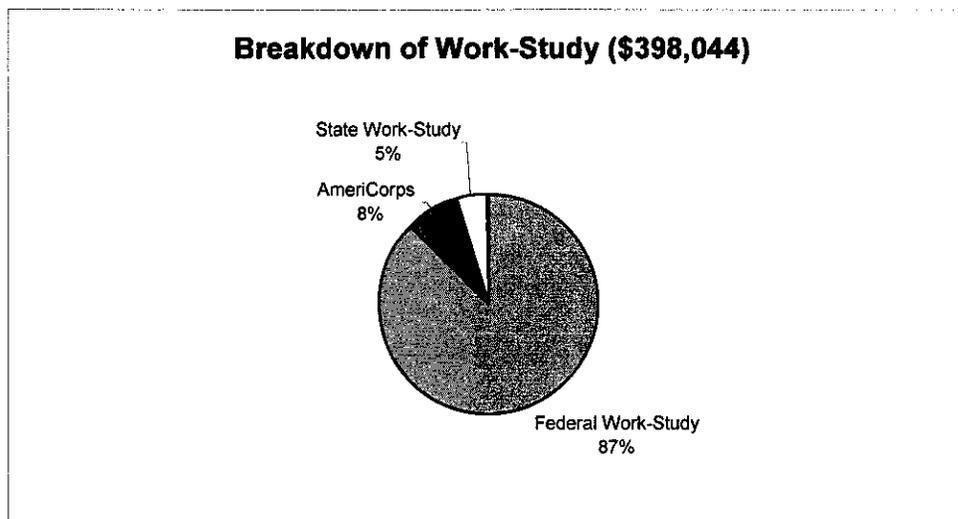


Subsidized Stafford Loans	1,101	\$3,691,391
Unsubsidized Stafford Loans	424	\$1,156,612
PLUS Loans	3	\$11,214
Total Loans*	1,139	\$4,859,217

University of Houston-Downtown, con't.



Pell Grant	3,109	\$8,028,682	Other Gift Aid		
TEXAS Grant	714	\$1,898,591	Supplemental Ed. Oppty. Grants	252	\$265,069
TX Pub. Educational Grant (TPEG)	622	\$907,084	Categorical Aid	60	\$94,917
Other Gift Aid	386	\$423,386	Pub.Stu. Incentive Gr/LEAP	32	\$21,378
Total Grants and Scholarships*	3,460	\$11,257,743	Other Grants & Scholarships	23	\$37,865
			Exemptions & Waivers	19	\$4,157
			Other Gift Aid	386	\$423,386

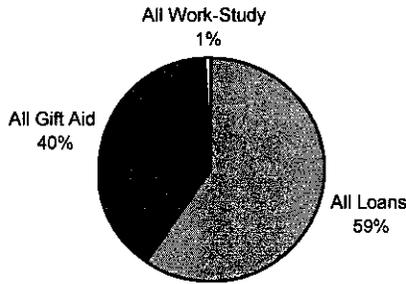


Federal Work-Study	190	\$348,552
AmeriCorps	15	\$31,126
State Work-Study	10	\$18,366
Total work-study*	208	\$398,044

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

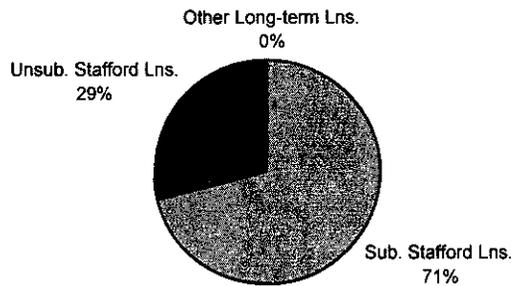
University of Houston-Victoria
Fiscal Year 2003

Total Financial Aid in Fiscal Year 2003 (\$4,077,112)



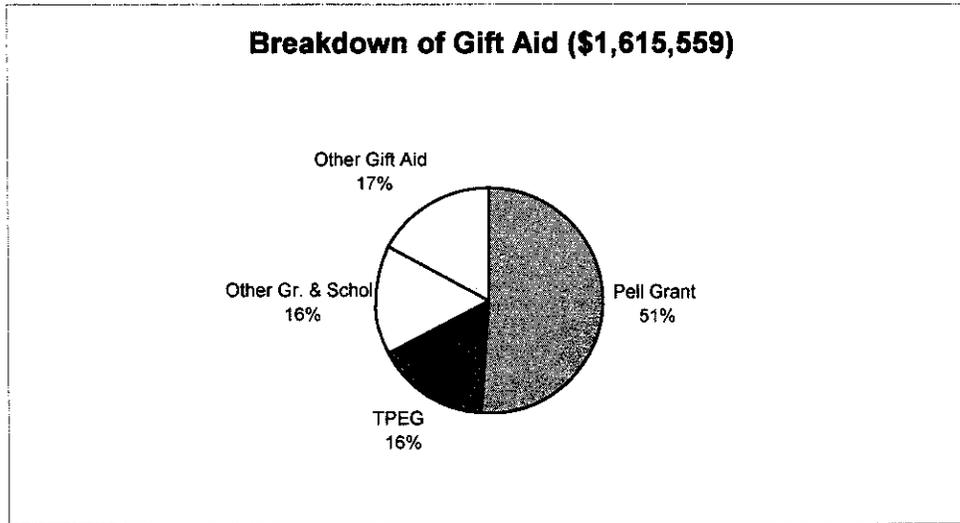
All Loans	362	\$2,426,971
All Gift Aid	502	\$1,615,559
All Work-Study	12	\$34,582
All Funds*	553	\$4,077,112

Breakdown of Loans (\$2,426,971)

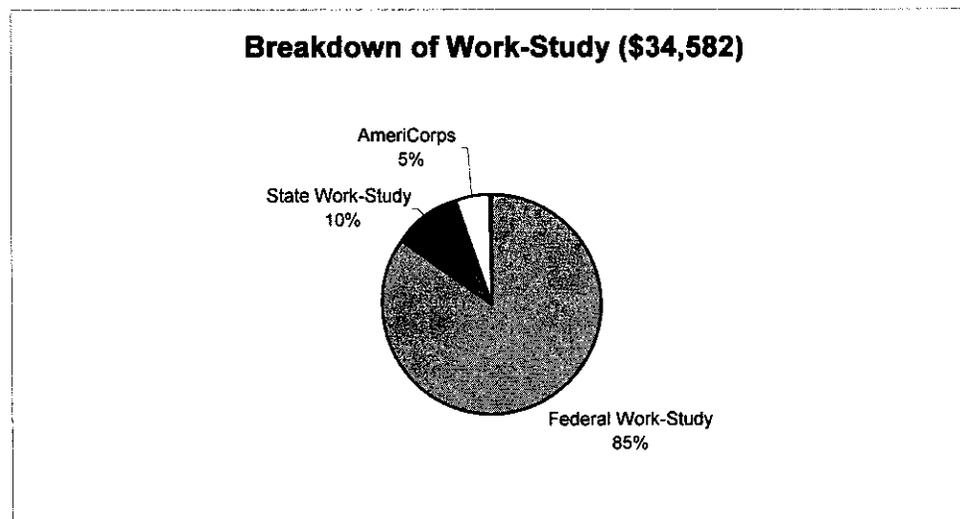


Subsidized Stafford Loans	355	\$1,725,973
Unsubsidized Stafford Loans	195	\$698,232
Other Long-term Loans	1	\$2,766
Total Loans*	362	\$2,426,971

University of Houston-Victoria, con't.



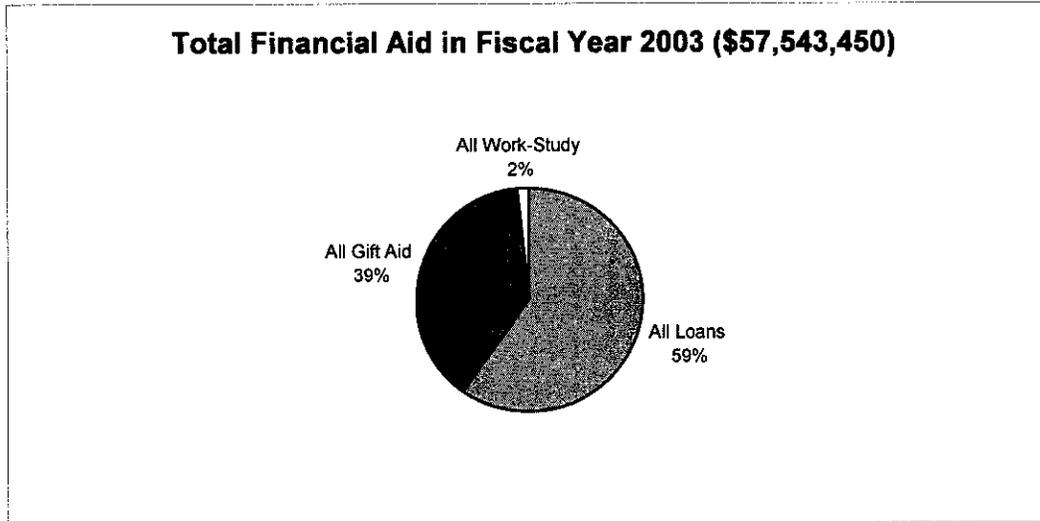
Pell Grant	333	\$820,651	Other Gift Aid		
Other Gift Aid	203	\$278,067	Exemptions & Waivers	54	\$123,190
TX Pub. Educational Grant (TPEG)	360	\$266,109	TEXAS Grant	30	\$75,561
Other Grants & Scholarships	264	\$250,732	Supplemental Ed. Oppty. Grants	60	\$35,875
Total Grants and Scholarships*	502	\$1,615,559	Categorical Aid	49	\$32,818
			Teach for TX Cond. Grant	1	\$4,269
			Student Deposit Scholarships	3	\$3,000
			Pub.Stu. Incentive Gr/LEAP	5	\$2,875
			Special Leveraging Ed. Asst. Gr.	1	\$479
			Other Gift Aid	203	\$278,067



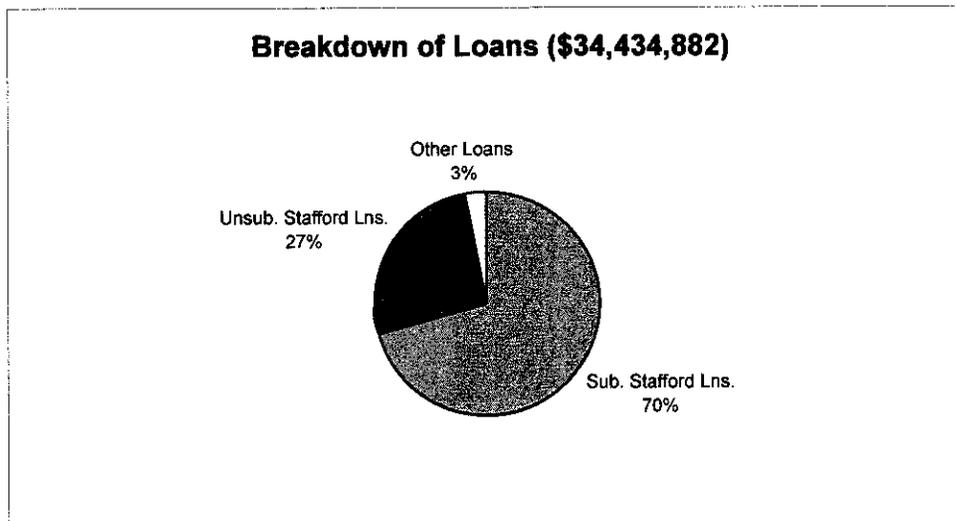
Federal Work-Study	11	\$29,310
State Work-Study	2	\$3,410
AmeriCorps	1	\$1,856
Total Work-Study*	12	\$34,582

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

University of North Texas
Fiscal Year 2003

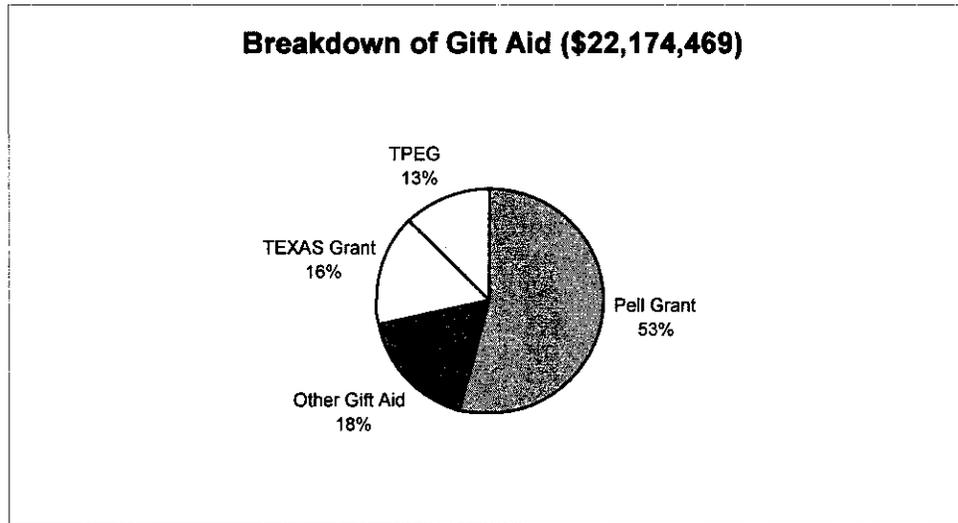


All Loans	5,955	\$34,434,882
All Gift Aid	6,229	\$22,174,469
All Work-Study	386	\$934,099
All Funds*	7,709	\$57,543,450

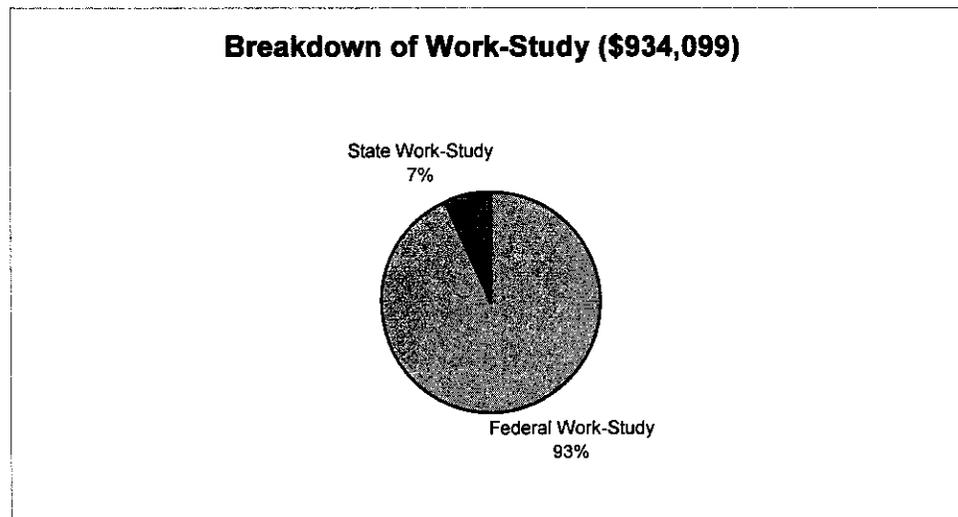


Subsidized Stafford Loans	5,753	\$24,221,356	Other Loans		
Unsubsidized Stafford Loans	2,764	\$9,193,588	PLUS Loans	269	\$711,225
Other Loans	342	\$1,019,938	Perkins Loans	48	\$223,293
Total Loans*	5,753	\$34,434,882	College Access Loans	25	\$63,420
			Other Loans	342	\$1,019,938

University of North Texas, con't.



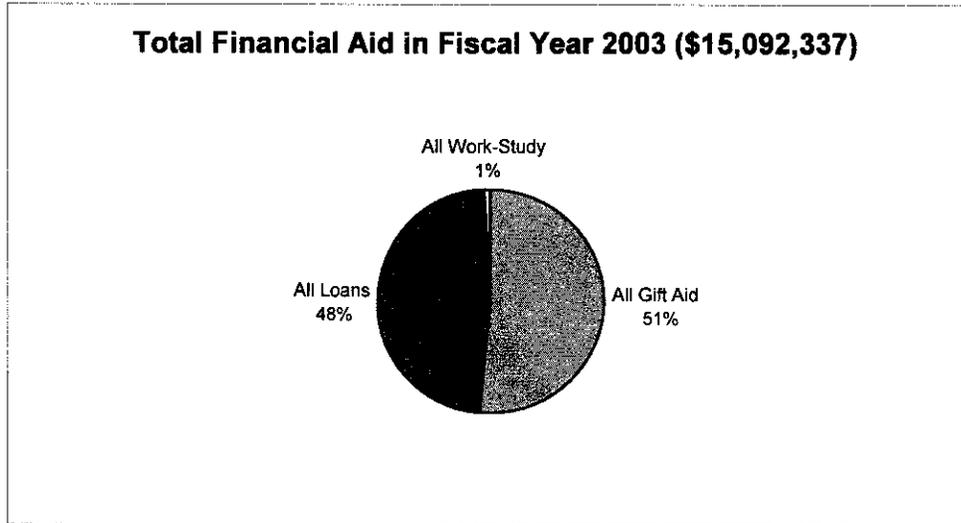
Pell Grant	4,491	\$11,927,589	Other Gift Aid		
Other Gift Aid	4,105	\$3,908,273	Supplemental Ed. Oppty. Grants	1,648	\$1,499,498
TEXAS Grant	1,233	\$3,548,257	Other Grants & Scholarships	2,058	\$1,015,806
TX Pub. Educational Grant (TPEG)	2,242	\$2,790,350	Exemptions & Waivers	222	\$920,252
Total Grants and Scholarships*	6,229	\$22,174,469	Categorical Aid	83	\$386,698
			Pub.Stu. Incentive Gr/LEAP	46	\$70,758
			Teach for TX Cond. Grant	2	\$8,216
			Special Leveraging Ed. Asst. Gr.	46	\$7,045
			Other Gift Aid	4,105	\$3,908,273



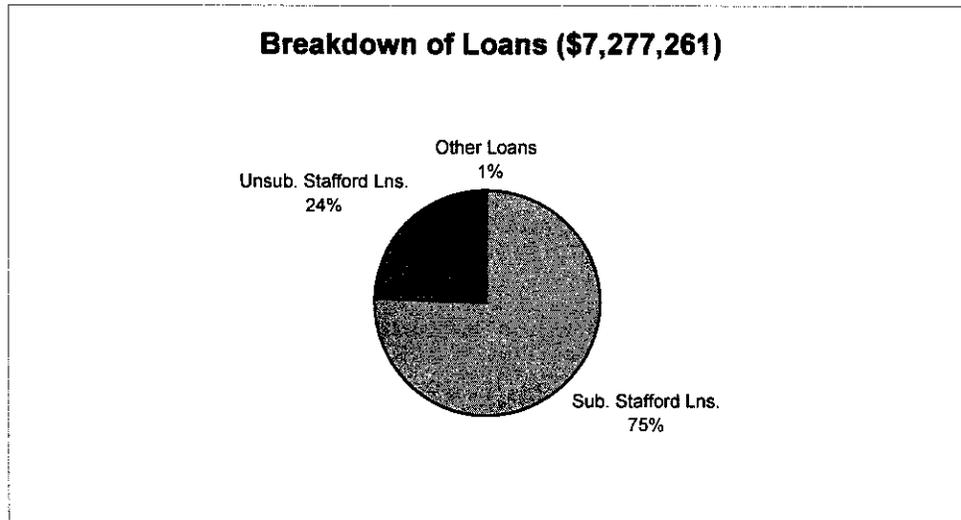
Federal Work-Study	380	\$868,751
State Work-Study	4	\$65,348
Total Work-Study*	386	\$934,099

FEDERAL, STATE AND INSTITUTIONAL FINANCIAL AID

West Texas A&M University
Fiscal Year 2003

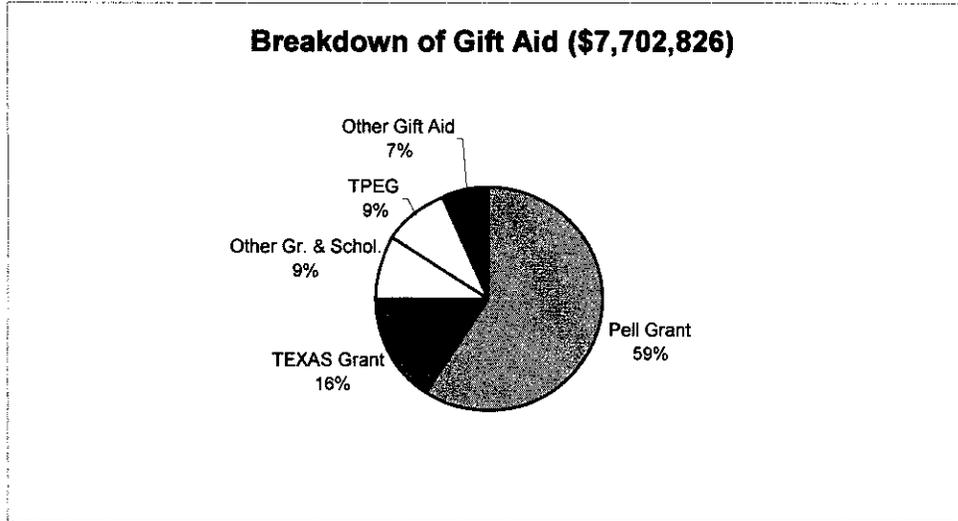


All Gift Aid	1,974	\$7,702,826
All Loans	1,445	\$7,277,261
All Work-Study	78	\$112,250
All Funds*	2,289	\$15,092,337

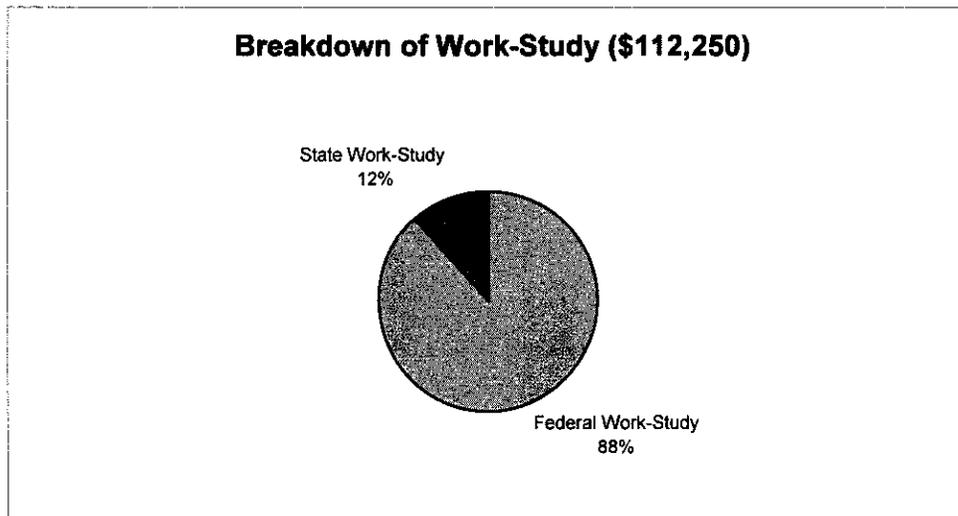


Subsidized Stafford Loans	1,420	\$5,500,558	Other Loans		
Unsubsidized Stafford Loans	565	\$1,730,580	Perkins Loans	9	\$30,226
Other Loans	20	\$46,123	Other Long-term Loans	2	\$4,500
Total Loans*	1,445	\$7,277,261	PLUS Loans	2	\$4,500
			Other Loans	20	\$46,123

West Texas A&M University, con't.



Pell Grant	1,745	\$4,555,958	Other Gift Aid		
TEXAS Grant	472	\$1,209,326	Supplemental Ed. Oppty. Grants	304	\$284,748
Other Grants & Scholarships	562	\$712,627	Categorical Aid	182	\$198,243
TX Pub. Educational Grant (TPEG)	533	\$708,883	Pub.Stu. Incentive Gr/LEAP	11	\$17,643
Other Gift Aid	503	\$516,032	Teach for Texas Cond. Grant	3	\$9,898
Total Grants and Scholarships*	1,974	\$7,702,826	Byrd Scholarship	2	\$3,000
			<u>Nursing Scholarship</u>	<u>1</u>	<u>\$2,500</u>
			Other Gift Aid	503	\$516,032



Federal Work-Study	78	\$99,003
State Work-Study	23	\$13,247
Total Work-Study*	78	\$112,250

Definitions of Financial Aid Programs included in the Financial Aid Database

Gift Aid (Grants and Scholarships)

- Exemptions and Waivers – adjustments to tuition and/or fee charges
- Categorical Aid – aid such as PTO scholarships, brought to the school by the student
- Pell Grant – the largest federal grant program
- Supplemental Educational Opportunity Grant (SEOG) – another federal grant program
- TX Public Educational Grant (TPEG) – a state program funded through tuition set-asides
- Pub. Stu. Incentive Gr./LEAP – hybrids of state-appropriated Public Student Incentive Grants and federal matching Leveraging Educational Assistance Grants
- Byrd Scholarship – a federal merit-based scholarship
- Nursing Scholarships – state programs for students enrolled in nursing
- Student Deposit Scholarships – state scholarships funded by left-over property deposit funds at public institutions
- Other Grants and Scholarships – a variety of programs, primarily institutional scholarships, but with a few awards through state scholarship programs that are being phased out (Texas New Horizons Scholarship and Texas Tuition Assistance Grants)
- TEXAS Grants – the state's Toward Excellence, Access and Success Grant Program
- Special Leveraging Assistance Grants – federal matching funds received by some students receiving state grants through the Tuition Equalization Grant program at private and independent institutions or through the Public Student Incentive Grant at public institutions
- Teach for Texas Conditional Grants – for students going into the teaching profession

Work-Study

- Federal Work-Study Program
- State (Texas) Work-Study Program
- Institutional Work-Study Program
- AmeriCorps – federal community service program

Loans

- Subsidized Stafford Loans – federal loans that provide an interest subsidy while the student is enrolled in college at least ½-time
- Unsubsidized Stafford Loans – federal loans that do not provide an interest subsidy – student is responsible for paying interest throughout the loan
- Perkins Loans – a federal loan program
- PLUS – a federal loan program that provides funds to the parents of students
- College Access Loans – a state loan program administered through the Hinson-Hazlewood College Student Loan Program
- Subsidized Federal Direct Student Loans – a federal program in which the federal government (as opposed to banks, etc.), serves as the lender. In this program the federal government provides an interest subsidy while the student is enrolled in college at least ½-time
- Unsubsidized Federal Direct Student Loans – a federal program in which the federal government (as opposed to banks, etc.), serves as the lender. In this program the federal government does NOT provides an interest subsidy while the student is enrolled in college at least ½-time

Other Long-Term Loans – loans received primarily through private third-party lenders.

Appendix D

**Texas Higher Education Coordinating Board
Data Requested by the
Joint Interim Select Committee on Higher Education
March 11, 2004**

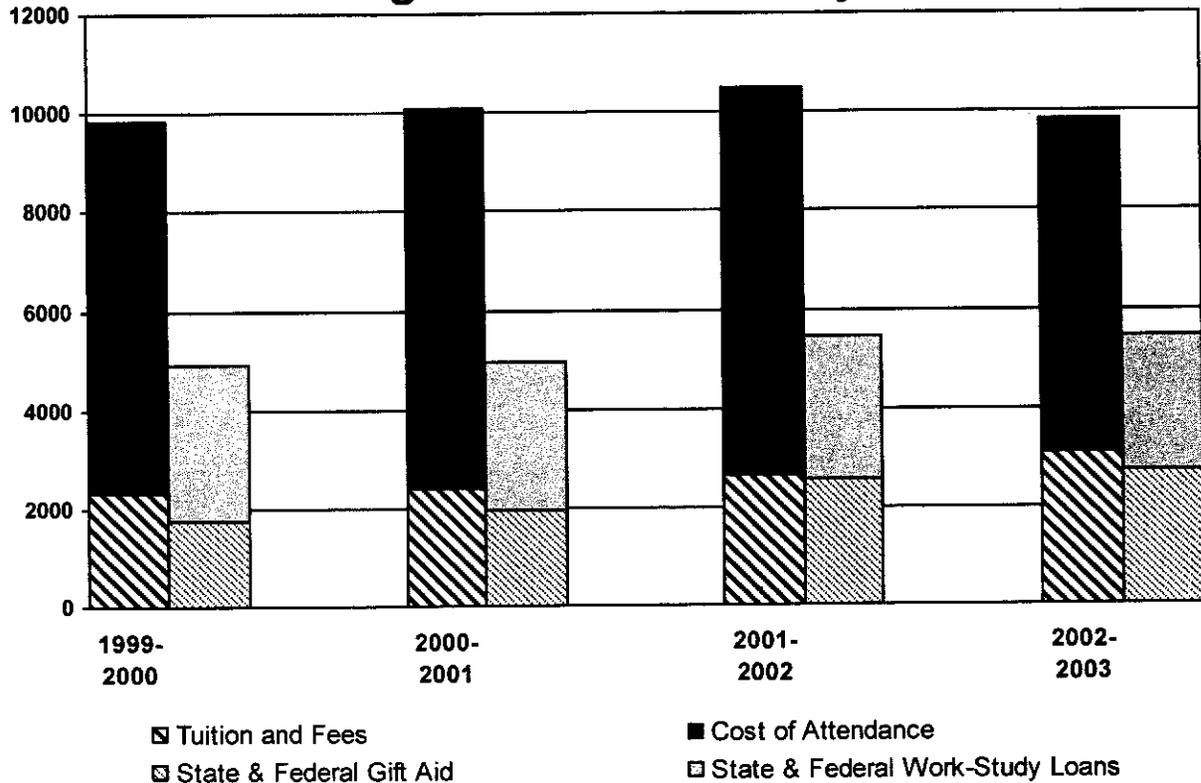
Request: What is the cost of attendance vs. financial aid available at Texas public universities?

The charts on the following pages show the cost of education and financial aid available at each Texas public university.

Submitted March 26, 2004

Cost of Attendance vs. Available Financial Aid

Angelo State University

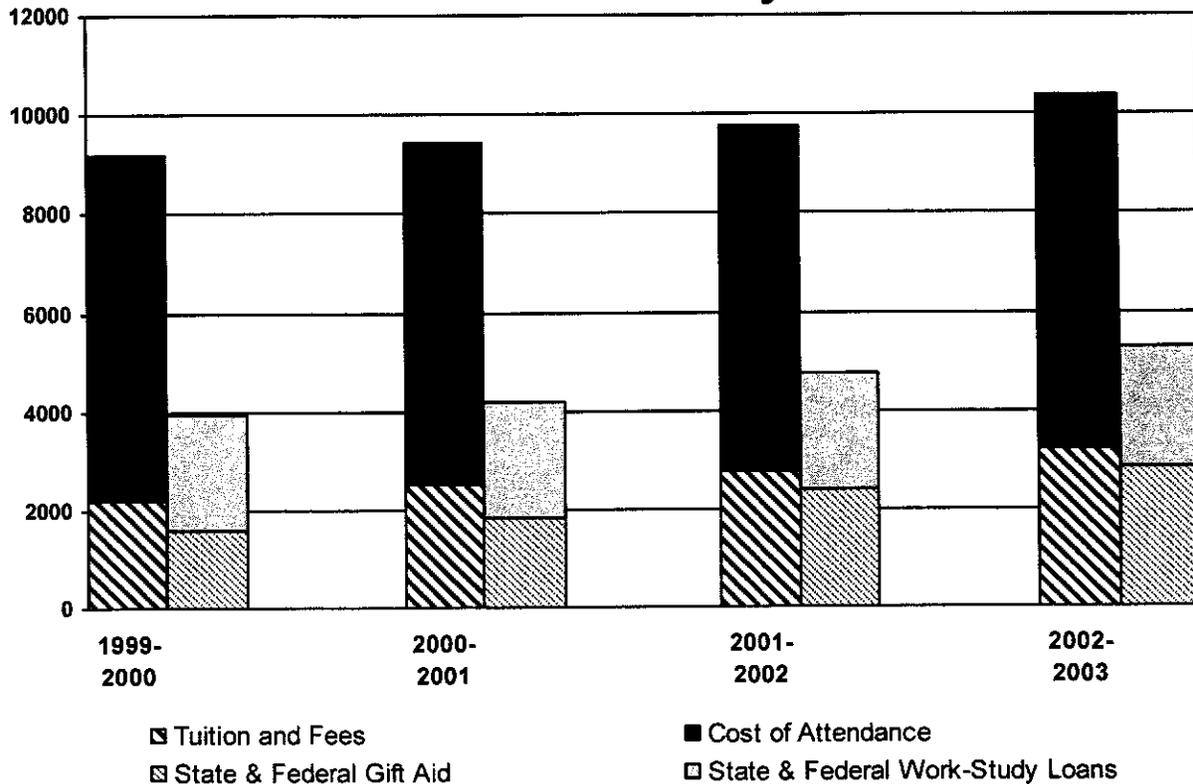


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2300	2380	2664	3,084.00
Other Costs of Attendance (books, room & board, etc.)	7528	7710	7832.27	6,757.58
Total Cost of Attendance	9,828.00	10,090.00	10,496.27	9,841.58
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	343.48	452.01	833.71	1,034.50
Average Federal Gift Aid Awarded	1,404.67	1,481.99	1,713.01	1,676.45
Average State Self-Help (Work-Study and Loans)	41.59	37.46	32.77	14.33
Average Federal Self-Help (Work-Study and Loans)	3,119.34	3,008.32	2,885.33	2,706.22
Total Financial Aid	4,909.09	4,979.77	5,464.83	5,431.50

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized

Cost of Attendance vs. Available Financial Aid

Lamar University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,196.00	2,531.00	2,771.00	3,211.00
Other Costs of Attendance (books, room & board, etc.)	7,001.91	6,906.10	6,977.86	7,152.42
Total Cost of Attendance	9,197.91	9,437.10	9,748.86	10,363.42
Average State Gift Aid Awarded	443.73	471.81	707.29	1,161.80
Average Federal Gift Aid Awarded	1,146.77	1,365.51	1,673.80	1,704.70
Average State Self-Help (Work-Study and Loans)	6.67	6.97	5.36	5.41
Average Federal Self-Help (Work-Study and Loans)	2,363.64	2,357.39	2,358.36	2,411.42
Total Financial Aid	3,960.81	4,201.68	4,744.81	5,283.33

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

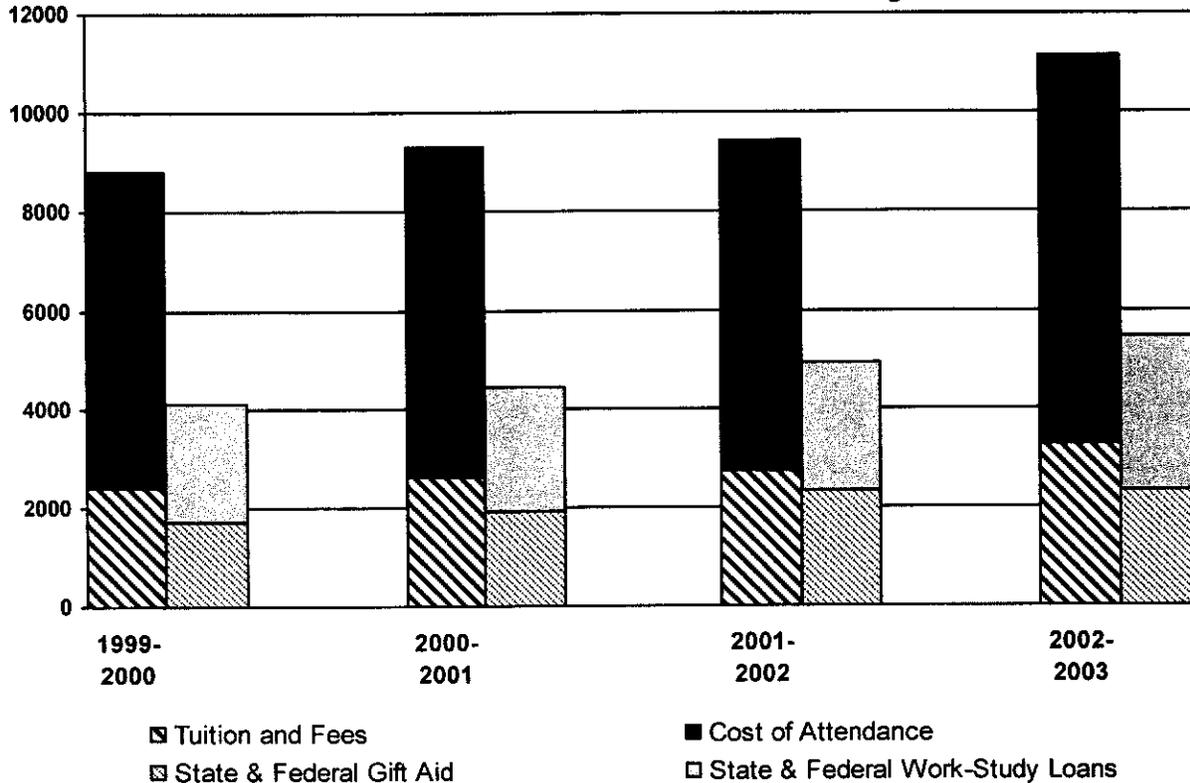
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Midwestern State University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,396.00	2,612.00	2,724.00	3,266.00
Other Costs of Attendance (books, room & board, etc.)	6,447.06	6,686.79	6,695.82	7,882.53
Total Cost of Attendance	8,843.06	9,298.79	9,419.82	11,148.53
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	441.64	535.57	762.34	801.03
Average Federal Gift Aid Awarded	1,248.89	1,385.94	1,548.67	1,499.45
Average State Self-Help (Work-Study and Loans)	8.71	17.24	10.47	19.54
Average Federal Self-Help (Work-Study and Loans)	2,408.02	2,489.38	2,598.27	3,146.68
Total Financial Aid	4,107.25	4,428.14	4,919.75	5,466.70

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

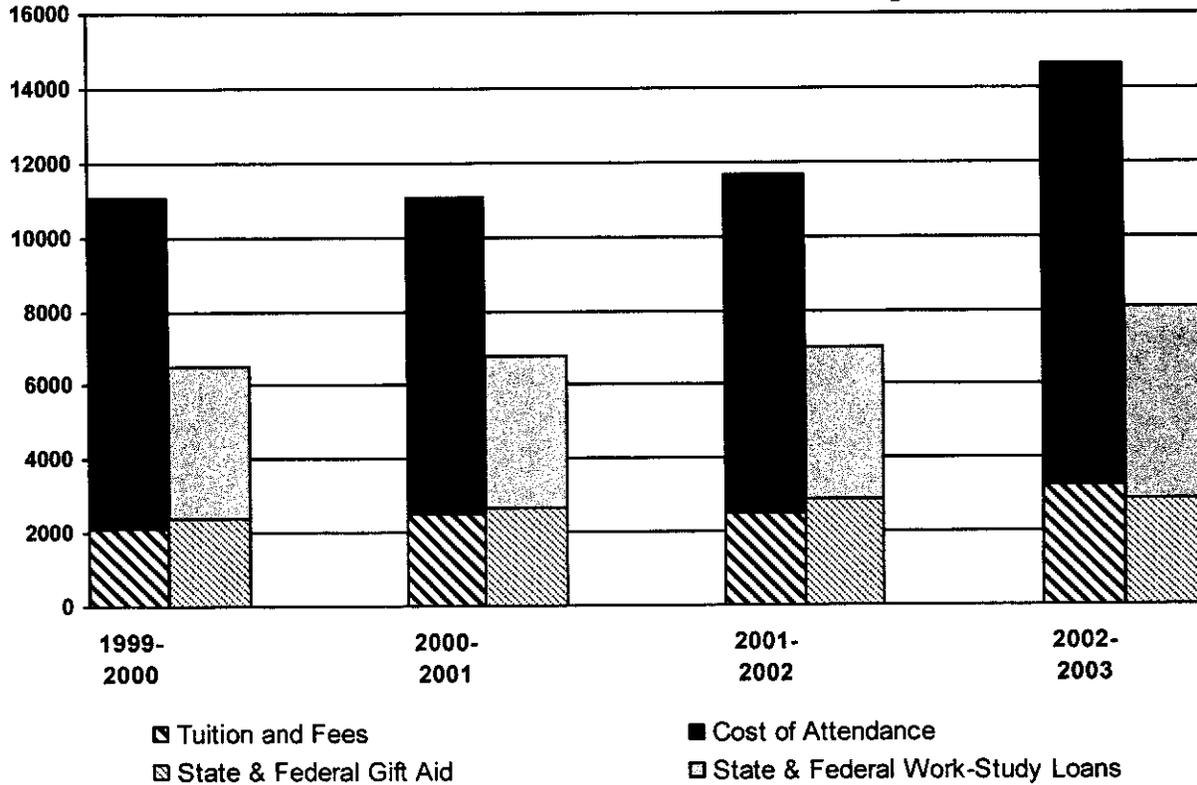
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Prairie View A&M University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,141.00	2,496.00	2,496.00	3,232.00
Other Costs of Attendance (books, room & board, etc.)	8,913.59	8,558.40	9,183.56	11,387.65
Total Cost of Attendance	11,054.59	11,054.40	11,679.56	14,619.65
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	497.71	511.12	892.96	1,010.91
Average Federal Gift Aid Awarded	1,910.12	2,134.96	1,989.14	1,856.10
Average State Self-Help (Work-Study and Loans)	-	7.92	7.20	7.02
Average Federal Self-Help (Work-Study and Loans)	4,107.55	4,135.08	4,131.26	5,233.91
Total Financial Aid	6,515.37	6,789.08	7,020.55	8,107.94

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

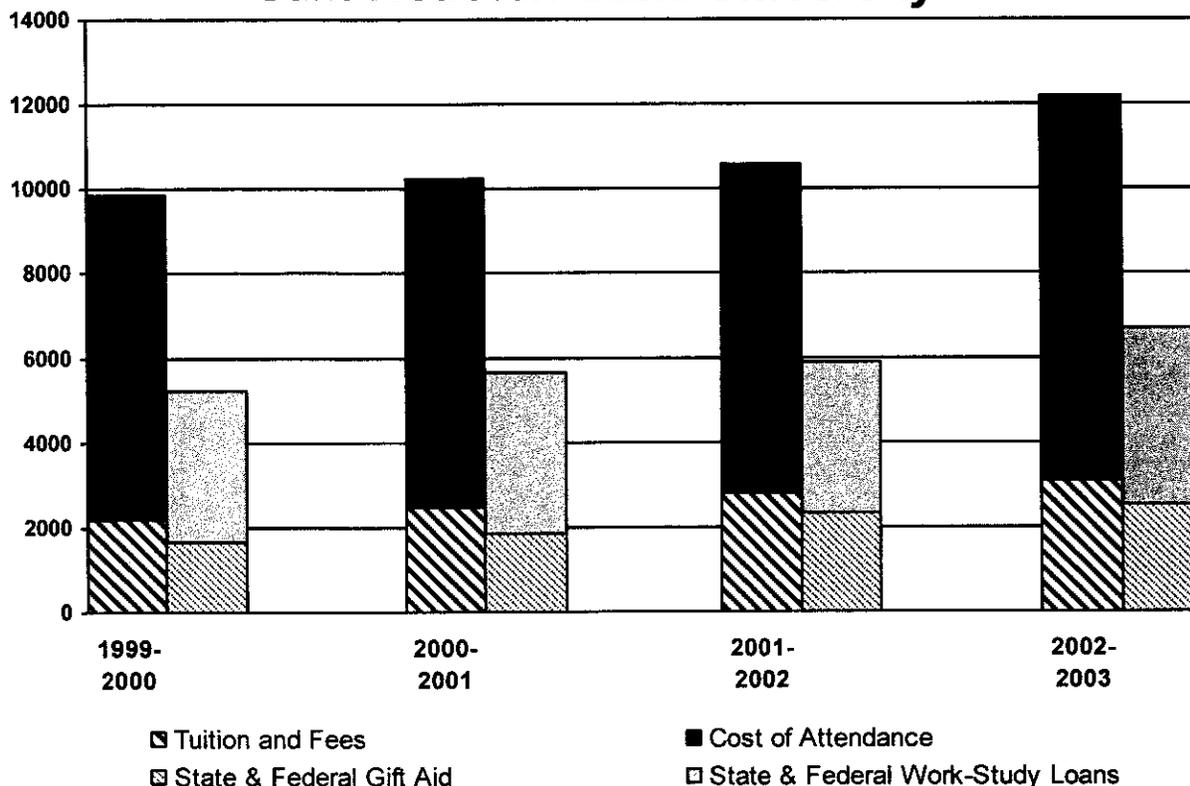
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

*****State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Sam Houston State University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,164.00	2,464.00	2,782.00	3,090.00
Other Costs of Attendance (books, room & board, etc.)	7,702.95	7,775.41	7,817.36	9,111.14
Total Cost of Attendance	9,866.95	10,239.41	10,599.36	12,201.14
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	487.97	512.47	860.88	1,031.13
Average Federal Gift Aid Awarded	1,185.69	1,340.89	1,460.37	1,480.19
Average State Self-Help (Work-Study and Loans)	18.32	23.20	20.44	18.06
Average Federal Self-Help (Work-Study and Loans)	3,538.58	3,758.81	3,558.55	4,182.22
Total Financial Aid	5,230.55	5,635.37	5,900.24	6,711.61

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

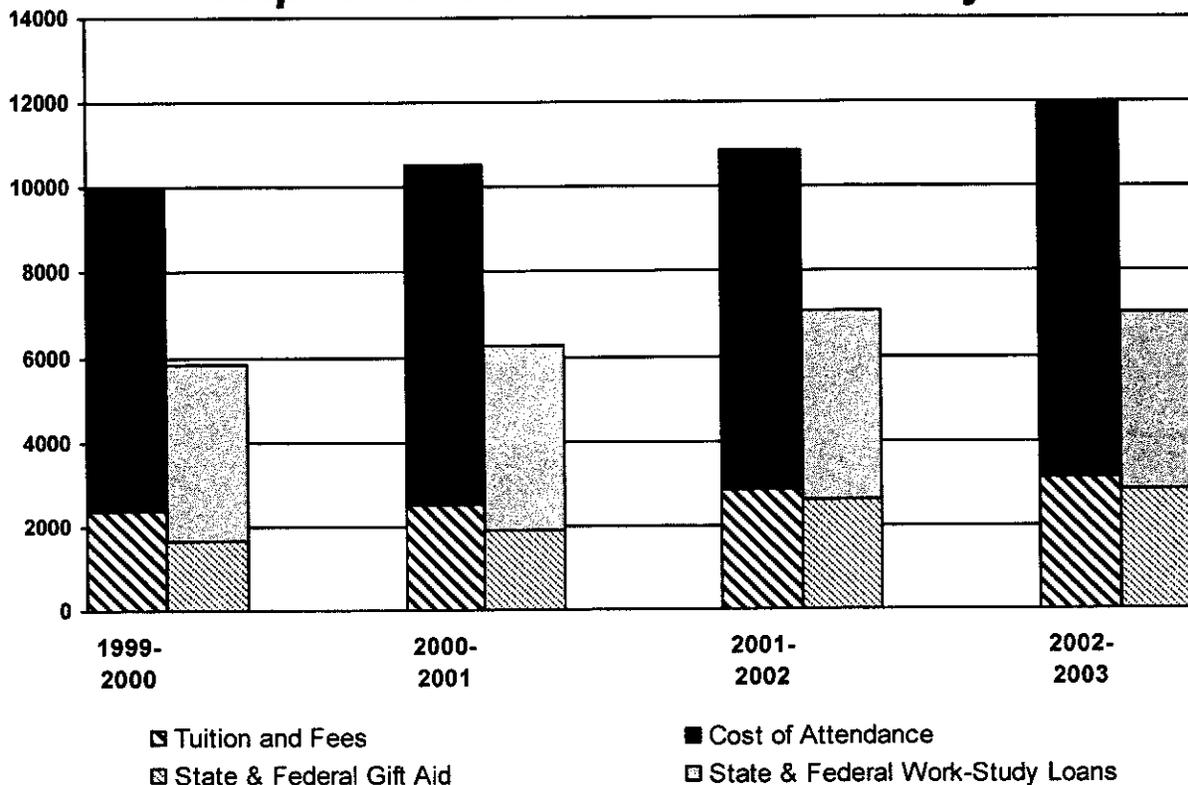
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

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Cost of Attendance vs. Available Financial Aid

Stephen F. Austin State University

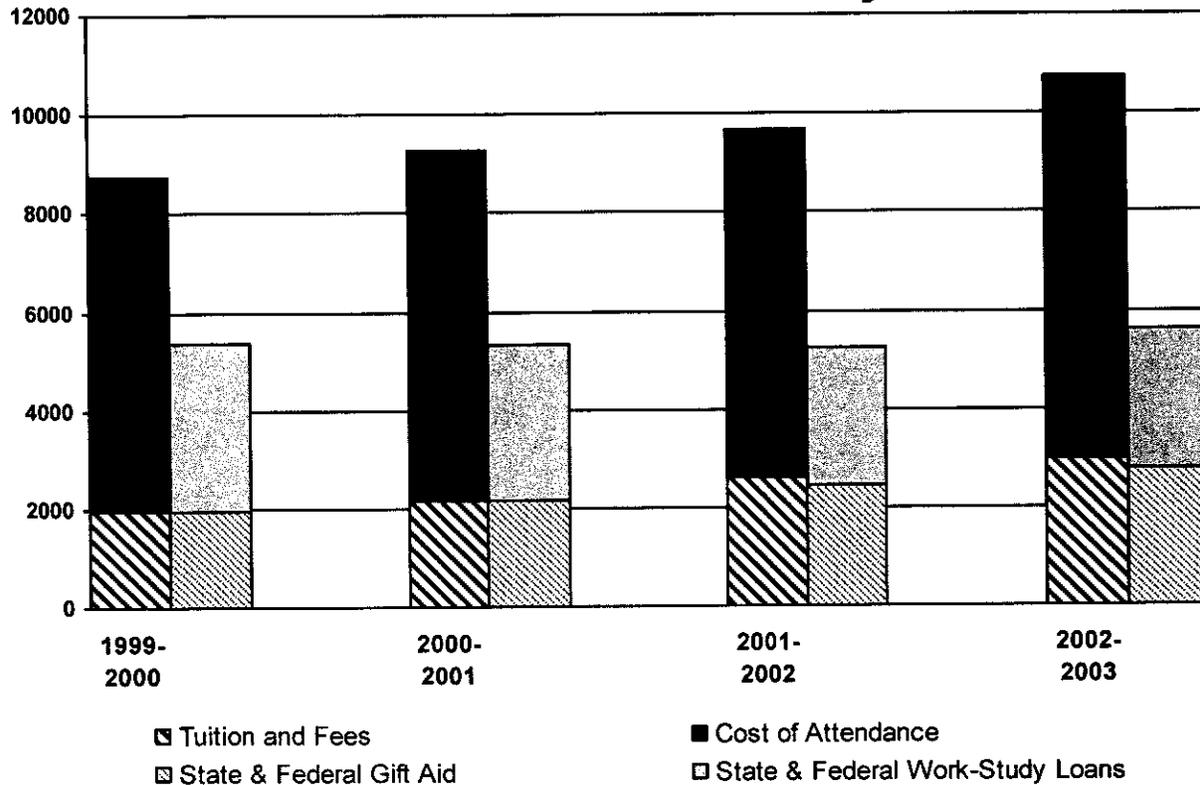


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,393.57	2,497.50	2,833.93	3,139.29
Other Costs of Attendance (books, room & board, etc.)	7,605.66	8,024.83	8,043.66	8,885.42
Total Cost of Attendance	9,999.23	10,522.33	10,877.59	12,024.71
Average State Gift Aid Awarded	432.57	506.50	997.55	1,189.33
Average Federal Gift Aid Awarded	1,235.20	1,377.43	1,591.78	1,669.98
Average State Self-Help (Work-Study and Loans)	81.08	127.90	102.99	88.02
Average Federal Self-Help (Work-Study and Loans)	4,108.55	4,265.97	4,370.01	4,071.78
Total Financial Aid	5,857.39	6,277.79	7,062.33	7,019.11

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
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Cost of Attendance vs. Available Financial Aid

Sul Ross State University

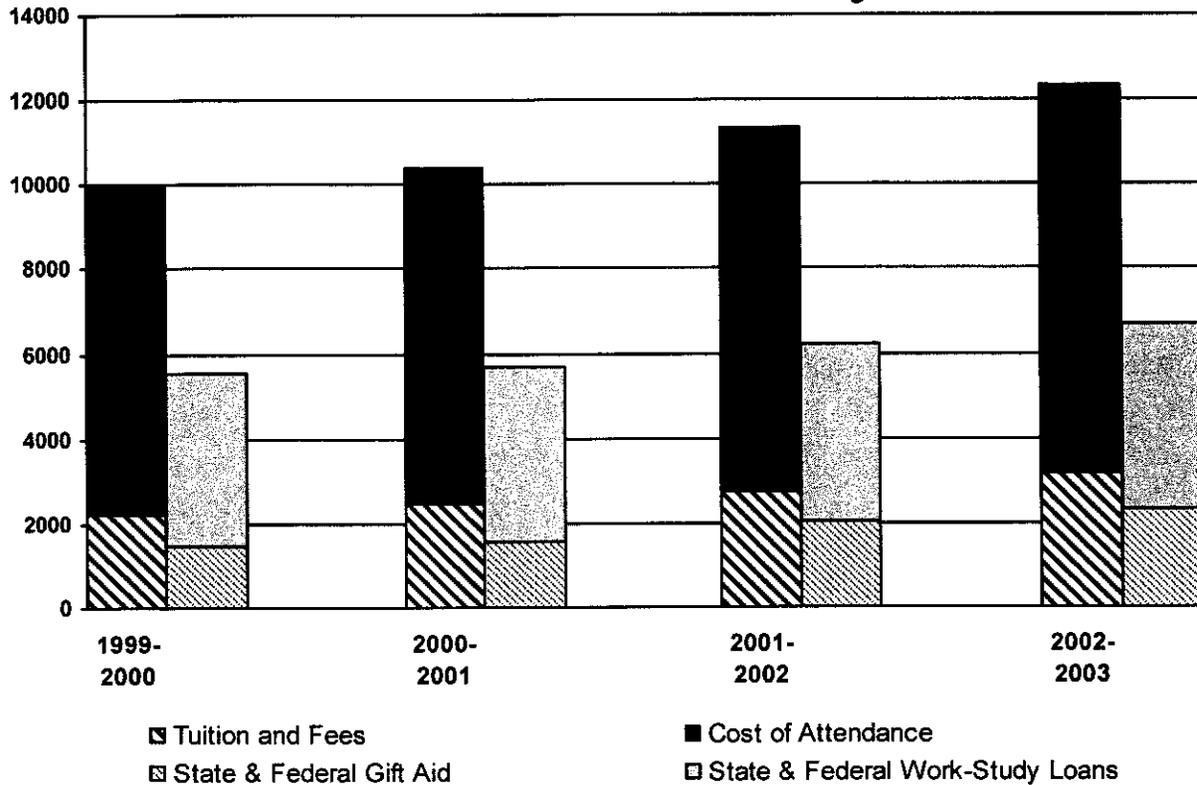


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	1,942.00	2,150.00	2,617.50	2,962.00
Other Costs of Attendance (books, room & board, etc.)	6,786.79	7,143.37	7,053.86	7,776.85
Total Cost of Attendance	8,728.79	9,293.37	9,671.36	10,738.85
Average State Gift Aid Awarded	357.56	449.31	510.36	623.55
Average Federal Gift Aid Awarded	1,604.96	1,705.42	1,922.23	2,161.93
Average State Self-Help (Work-Study and Loans)	-	-	7.21	8.77
Average Federal Self-Help (Work-Study and Loans)	3,403.77	3,189.54	2,806.47	2,838.36
Total Financial Aid	5,366.29	5,344.27	5,246.27	5,632.63

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
- ***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Tarleton State University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,216.00	2,461.00	2,741.00	3,163.00
Other Costs of Attendance (books, room & board, etc.)	7,746.80	7,954.41	8,608.45	9,196.75
Total Cost of Attendance	9,962.80	10,415.41	11,349.45	12,359.75
Average State Gift Aid Awarded	378.30	341.32	523.48	730.63
Average Federal Gift Aid Awarded	1,087.52	1,243.87	1,499.89	1,576.12
Average State Self-Help (Work-Study and Loans)	8.45	10.92	12.08	14.41
Average Federal Self-Help (Work-Study and Loans)	4,067.96	4,085.39	4,160.75	4,350.32
Total Financial Aid	5,542.23	5,681.51	6,196.20	6,671.47

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

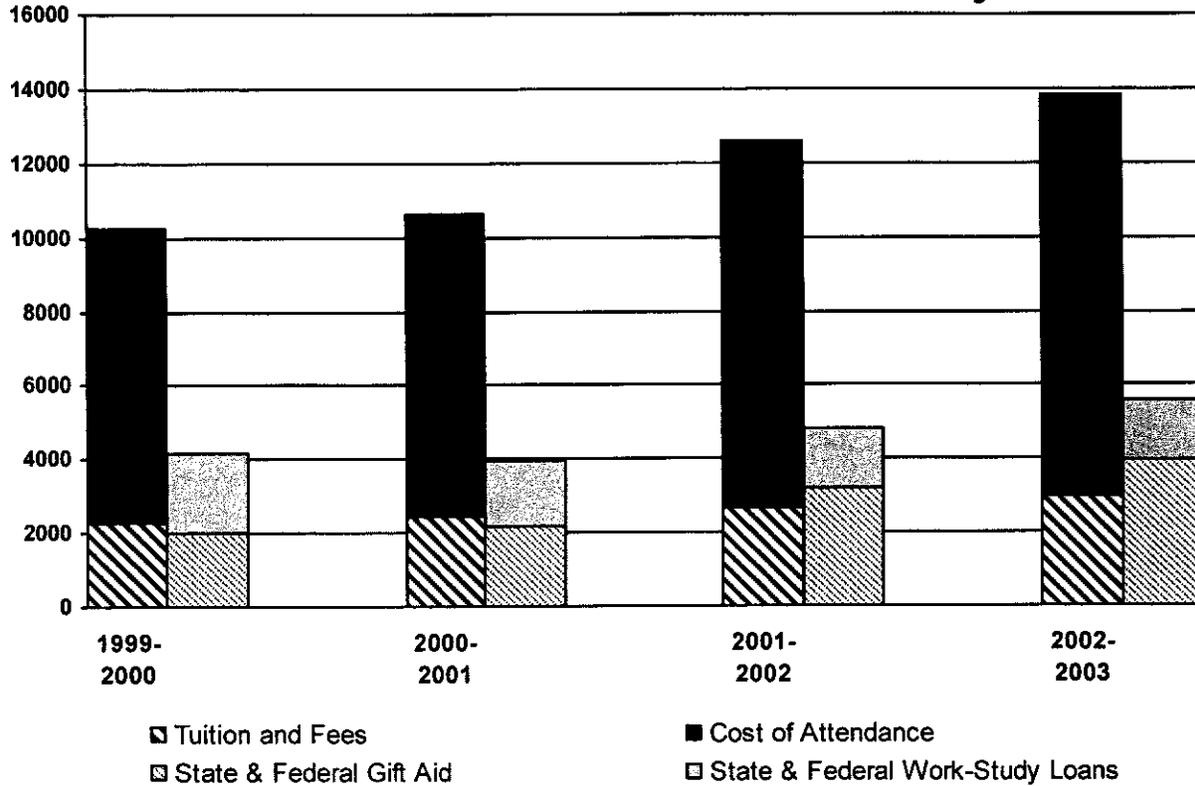
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

*****State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M International University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,287.50	2,456.25	2,637.50	3,003.75
Other Costs of Attendance (books, room & board, etc.)	7,955.66	8,157.75	9,942.25	10,831.91
Total Cost of Attendance	10,243.16	10,614.00	12,579.75	13,835.66
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	330.56	542.70	1,183.37	1,690.71
Average Federal Gift Aid Awarded	1,662.82	1,645.84	2,022.79	2,253.47
Average State Self-Help (Work-Study and Loans)	4.63	5.72	4.47	4.06
Average Federal Self-Help (Work-Study and Loans)	2,202.61	1,768.98	1,610.05	1,663.57
Total Financial Aid	4,200.61	3,963.25	4,820.67	5,611.82

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

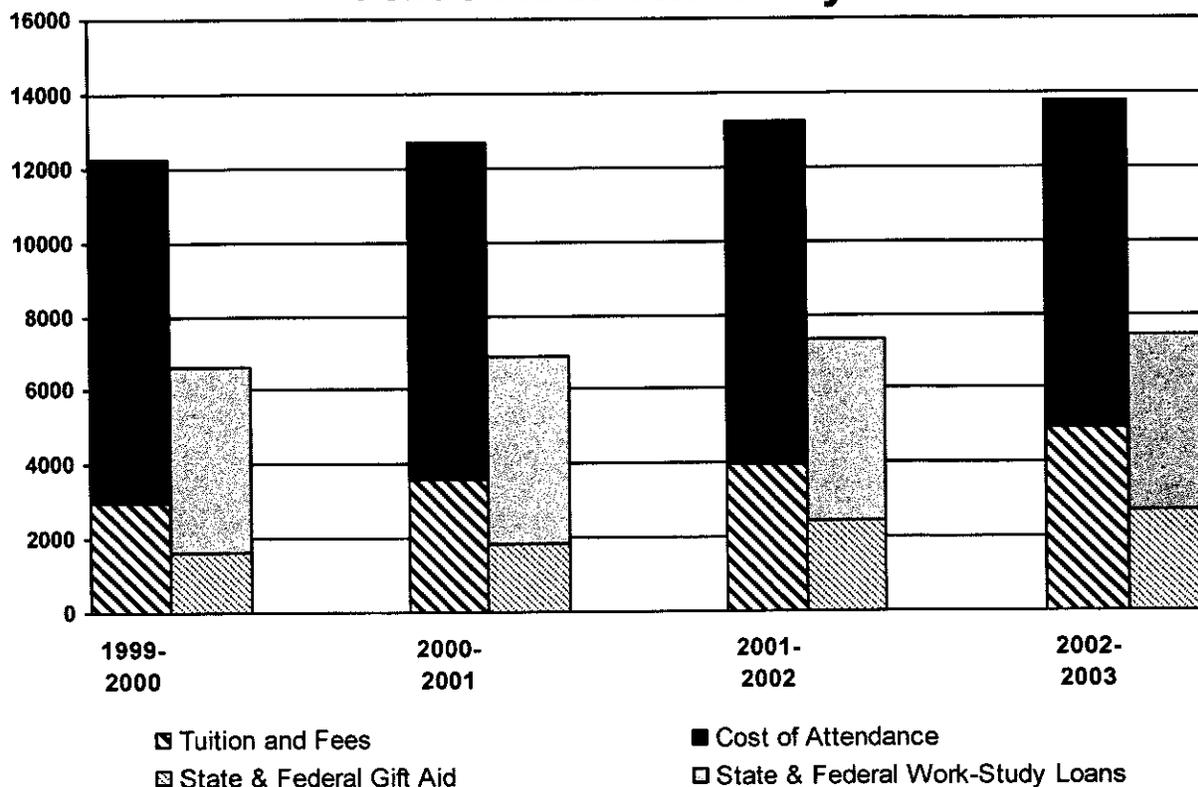
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,965.00	3,572.14	3,938.57	4,937.14
Other Costs of Attendance (books, room & board, etc.)	9,271.73	9,106.01	9,317.57	8,838.03
Total Cost of Attendance	12,236.73	12,678.15	13,256.15	13,775.17
Average State Gift Aid Awarded	662.72	735.30	1,156.80	1,364.25
Average Federal Gift Aid Awarded	972.13	1,093.14	1,262.69	1,358.89
Average State Self-Help (Work-Study and Loans)	277.41	286.73	245.30	152.72
Average Federal Self-Help (Work-Study and Loans)	4,711.42	4,759.41	4,674.04	4,564.31
Total Financial Aid	6,623.69	6,874.58	7,338.83	7,440.18

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

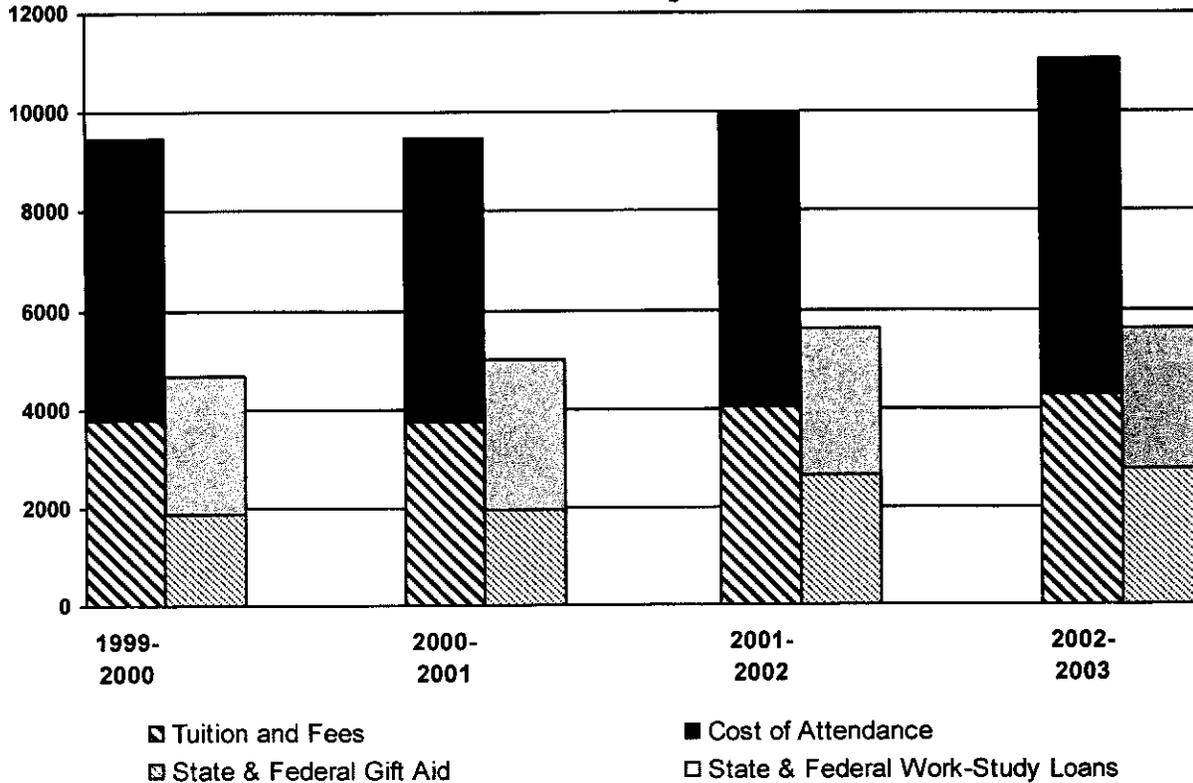
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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University at Galveston



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	3,793.00	3,750.00	4,010.00	4,272.00
Other Costs of Attendance (books, room & board, etc.)	5,667.79	5,715.91	6,005.00	6,795.78
Total Cost of Attendance	9,460.79	9,465.91	10,015.00	11,067.78
Average State Gift Aid Awarded	678.69	737.12	1,002.90	1,069.66
Average Federal Gift Aid Awarded	1,204.98	1,229.64	1,660.40	1,686.69
Average State Self-Help (Work-Study and Loans)	-	-	9.09	5.97
Average Federal Self-Help (Work-Study and Loans)	2,796.52	3,048.81	2,952.68	2,870.22
Total Financial Aid	4,680.19	5,015.57	5,625.07	5,632.55

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

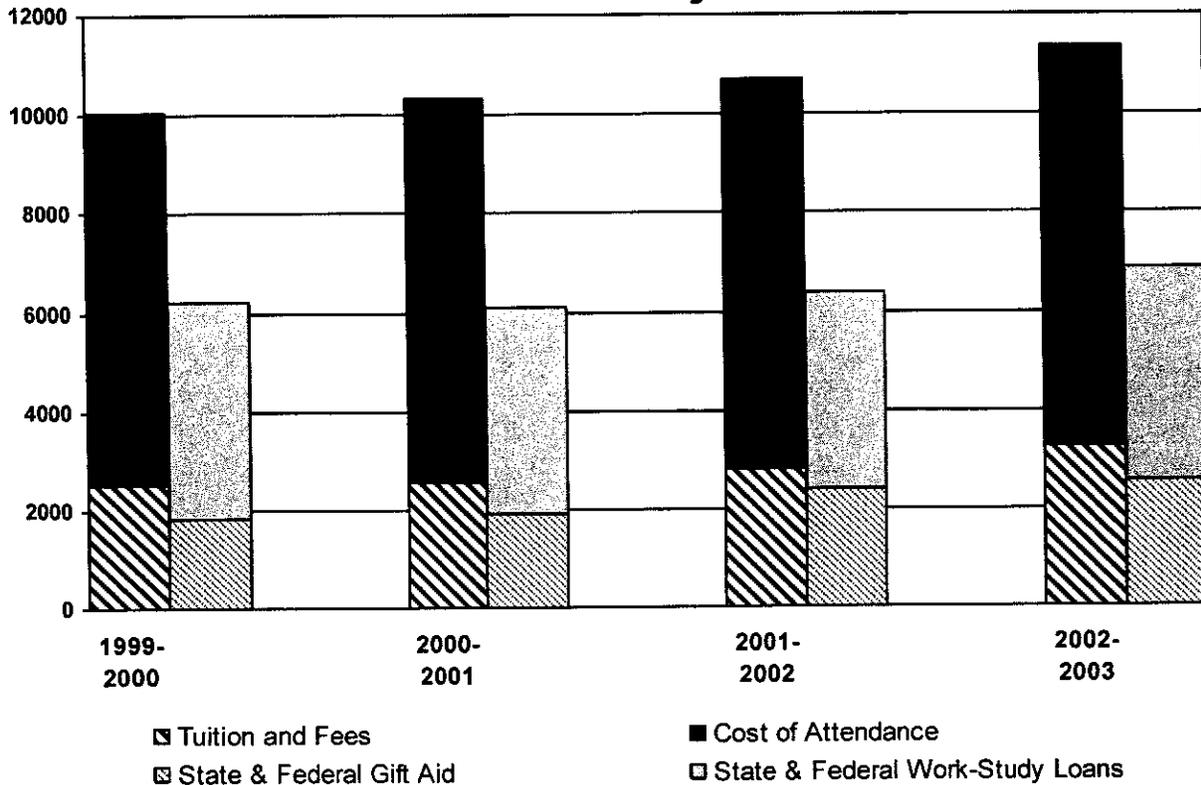
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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University-Commerce



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,507.14	2,560.71	2,807.14	3,257.14
Other Costs of Attendance (books, room & board, etc.)	7,544.20	7,767.15	7,890.90	8,110.26
Total Cost of Attendance	10,051.34	10,327.86	10,698.04	11,367.40
Average State Gift Aid Awarded	458.72	436.51	674.38	818.94
Average Federal Gift Aid Awarded	1,369.10	1,471.11	1,705.34	1,761.98
Average State Self-Help (Work-Study and Loans)	3.48	10.66	2.49	-
Average Federal Self-Help (Work-Study and Loans)	4,375.84	4,177.18	4,016.69	4,308.54
Total Financial Aid	6,207.14	6,095.46	6,398.90	6,889.46

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

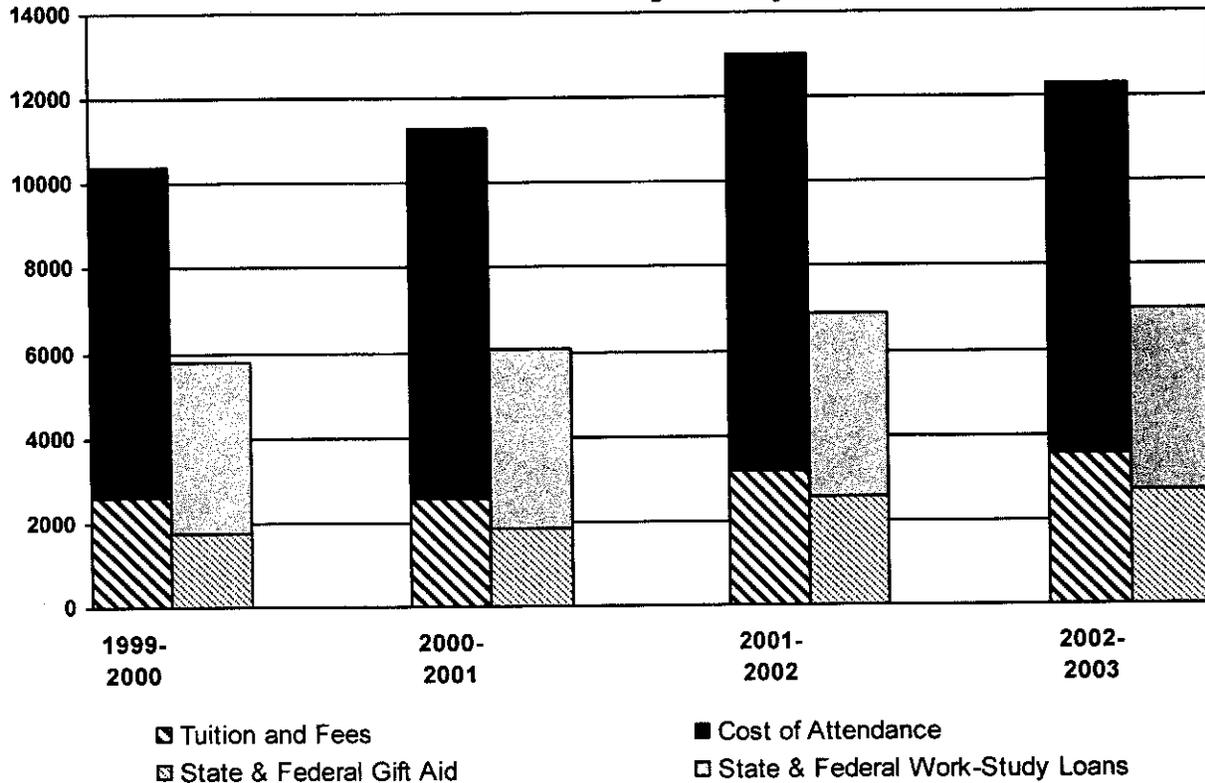
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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University-Corpus Christi



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,612.50	2,540.77	3,165.00	3,567.50
Other Costs of Attendance (books, room & board, etc.)	7,796.20	8,749.37	9,826.45	8,729.74
Total Cost of Attendance	10,408.70	11,290.14	12,991.45	12,297.24
Average State Gift Aid Awarded	515.02	524.09	884.33	1,043.60
Average Federal Gift Aid Awarded	1,262.05	1,345.82	1,662.65	1,673.21
Average State Self-Help (Work-Study and Loans)	14.98	10.98	13.99	6.66
Average Federal Self-Help (Work-Study and Loans)	4,016.73	4,202.14	4,317.31	4,276.26
Total Financial Aid	5,808.79	6,083.03	6,878.28	6,999.73

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

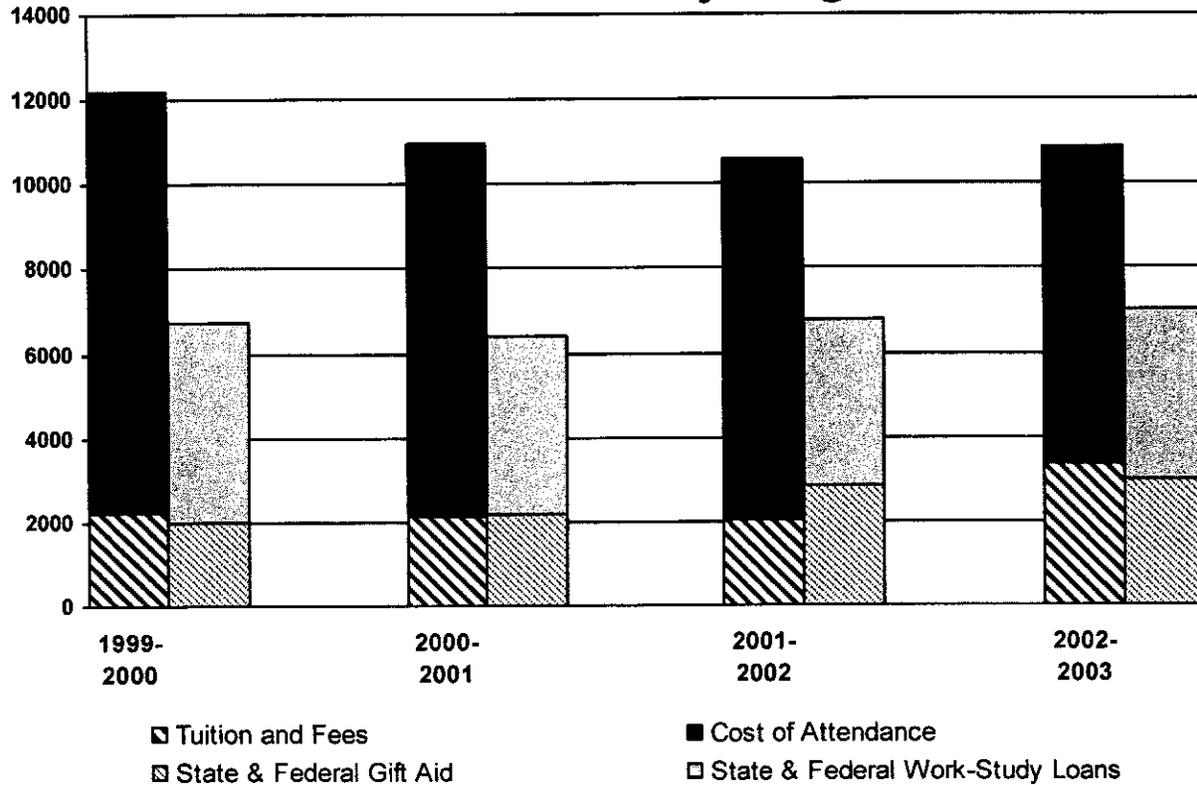
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

*****State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University-Kingsville



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,240.77	2,113.85	2,051.25	3,365.00
Other Costs of Attendance (books, room & board, etc.)	9,933.37	8,847.43	8,545.27	7,514.82
Total Cost of Attendance	12,174.13	10,961.28	10,596.52	10,879.82
Average State Gift Aid Awarded	345.98	381.21	771.08	842.07
Average Federal Gift Aid Awarded	1,669.23	1,820.11	2,062.87	2,140.96
Average State Self-Help (Work-Study and Loans)	7.96	8.26	8.15	7.33
Average Federal Self-Help (Work-Study and Loans)	4,695.14	4,208.83	3,955.47	4,049.75
Total Financial Aid	6,718.31	6,418.42	6,797.56	7,040.12

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

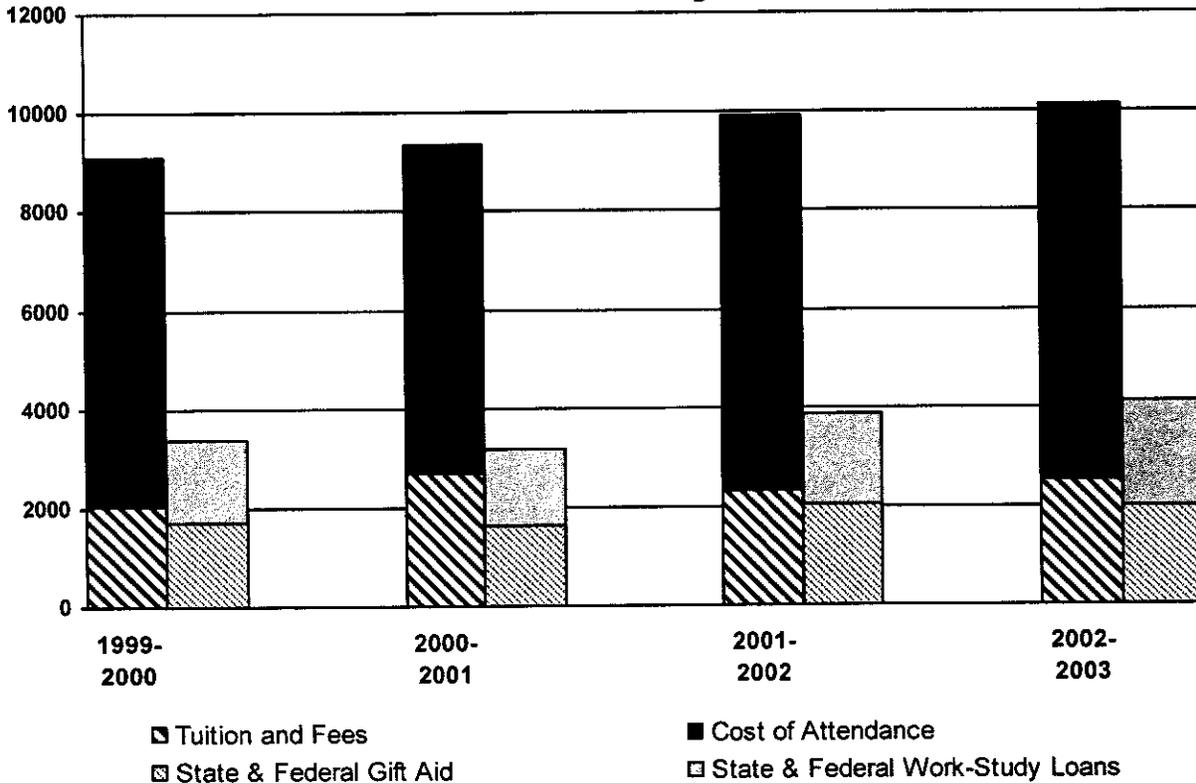
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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas A&M University-Texarkana



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,053.85	2,672.50	2,307.69	2,502.86
Other Costs of Attendance (books, room & board, etc.)	7,040.54	6,675.81	7,610.69	7,626.70
Total Cost of Attendance	9,094.39	9,348.31	9,918.38	10,129.55
Average State Gift Aid Awarded	437.83	390.82	408.26	416.79
Average Federal Gift Aid Awarded	1,264.50	1,232.92	1,629.39	1,575.38
Average State Self-Help (Work-Study and Loans)	-	-	-	-
Average Federal Self-Help (Work-Study and Loans)	1,683.87	1,532.12	1,824.37	2,102.80
Total Financial Aid	3,386.20	3,155.86	3,862.02	4,094.97

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

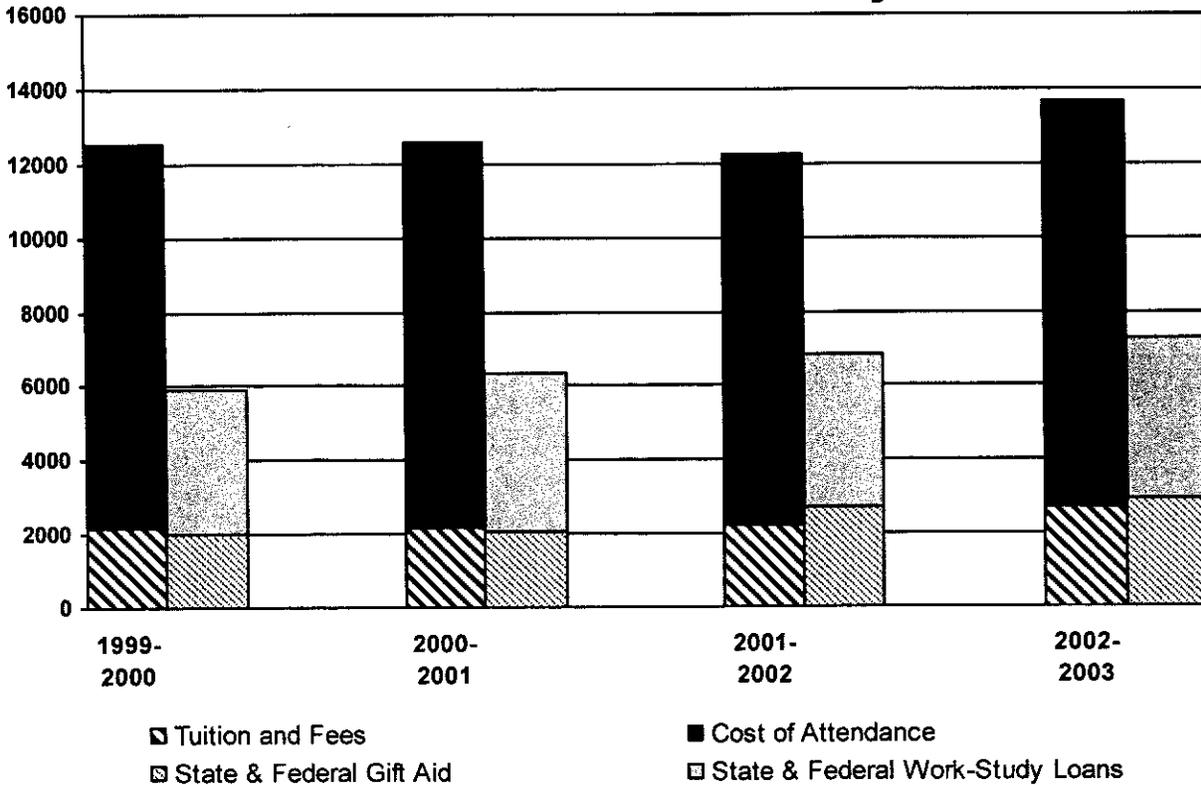
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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

Texas Southern University

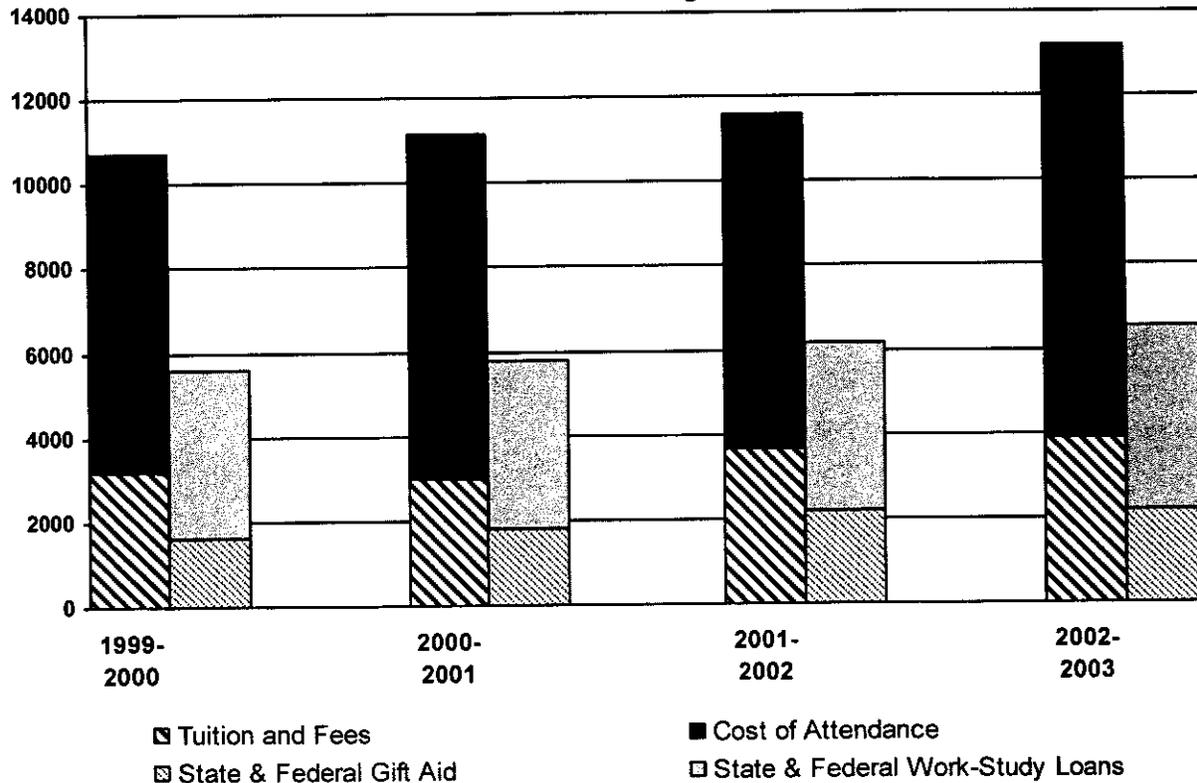


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,170.00	2,170.00	2,213.00	2,718.00
Other Costs of Attendance (books, room & board, etc.)	10,351.56	10,394.13	10,067.01	10,949.07
Total Cost of Attendance	12,521.56	12,564.13	12,280.01	13,667.07
Average State Gift Aid Awarded	360.85	298.37	501.83	695.11
Average Federal Gift Aid Awarded	1,633.71	1,777.13	2,208.37	2,219.85
Average State Self-Help (Work-Study and Loans)	-	5.52	5.15	4.34
Average Federal Self-Help (Work-Study and Loans)	3,916.58	4,256.44	4,112.26	4,331.54
Total Financial Aid	5,911.14	6,337.47	6,827.61	7,250.84

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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Cost of Attendance vs. Available Financial Aid

Texas State University-San Marcos

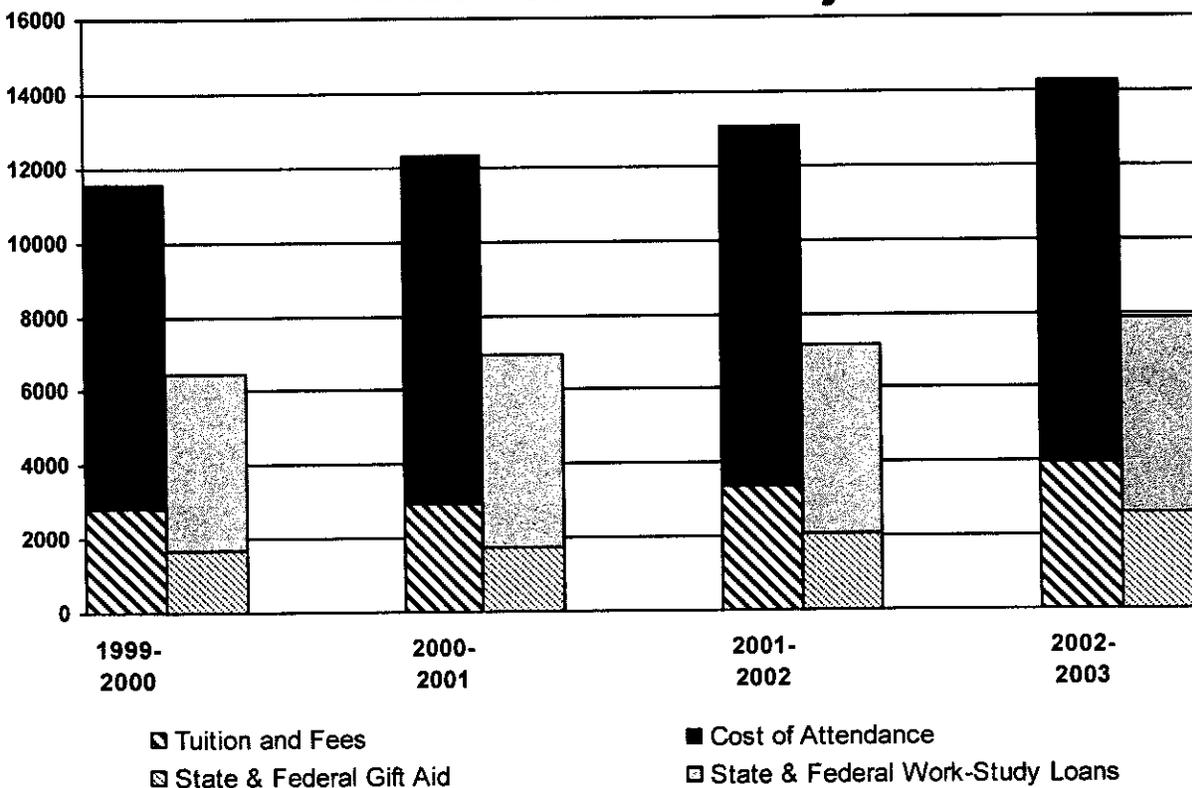


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	3,171.43	2,990.00	3,642.86	3,910.71
Other Costs of Attendance (books, room & board, etc.)	7,540.32	8,141.82	7,927.09	9,267.95
Total Cost of Attendance	10,711.75	11,131.82	11,569.94	13,178.67
Average State Gift Aid Awarded	568.73	657.07	893.81	916.09
Average Federal Gift Aid Awarded	1,039.16	1,125.30	1,269.26	1,271.66
Average State Self-Help (Work-Study and Loans)	48.90	45.50	59.12	76.03
Average Federal Self-Help (Work-Study and Loans)	3,946.43	3,941.31	3,950.47	4,307.85
Total Financial Aid	5,603.22	5,769.18	6,172.66	6,571.64

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
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Cost of Attendance vs. Available Financial Aid

Texas Tech University

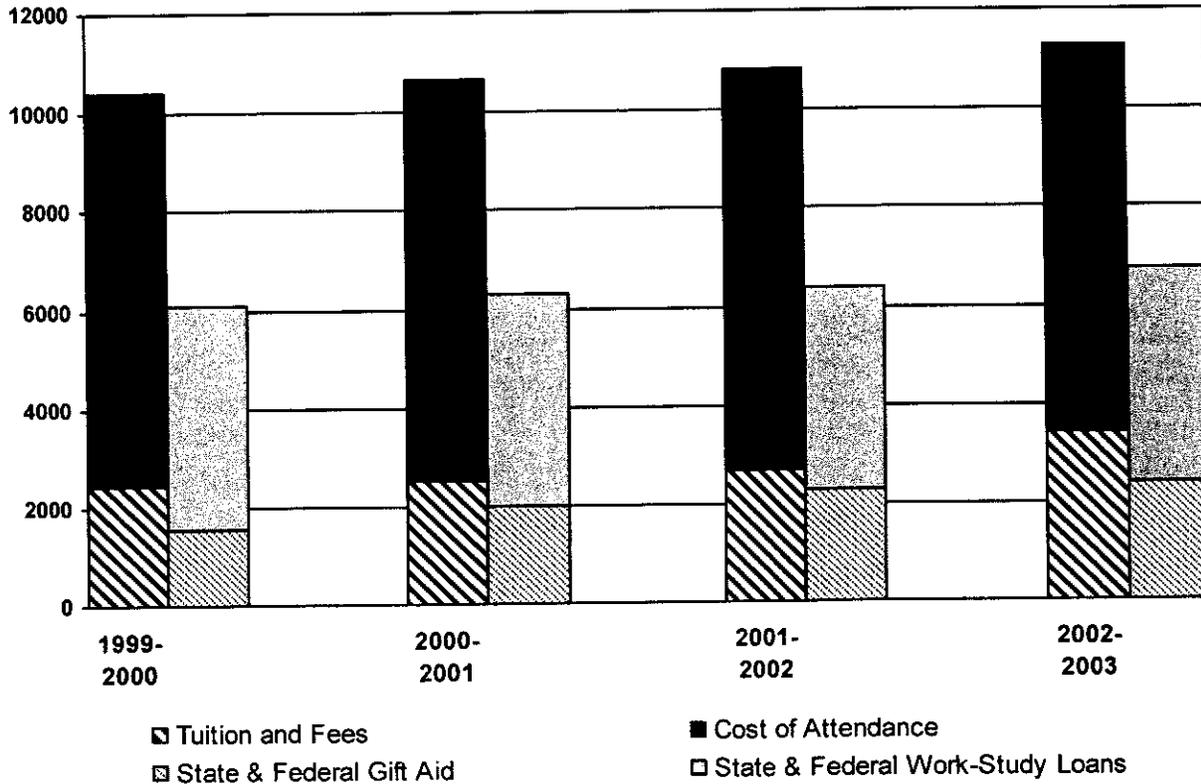


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,800.00	2,938.00	3,338.00	3,957.00
Other Costs of Attendance (books, room & board, etc.)	8,764.03	9,361.12	9,730.90	10,308.50
Total Cost of Attendance	11,564.03	12,299.12	13,068.90	14,265.50
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	485.68	476.70	775.76	1,268.71
Average Federal Gift Aid Awarded	1,194.40	1,255.17	1,296.44	1,317.12
Average State Self-Help (Work-Study and Loans)	109.87	135.77	124.96	122.20
Average Federal Self-Help (Work-Study and Loans)	4,656.25	5,061.38	4,975.94	5,167.81
Total Financial Aid	6,446.20	6,929.03	7,173.09	7,875.84

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
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Cost of Attendance vs. Available Financial Aid

Texas Woman's University

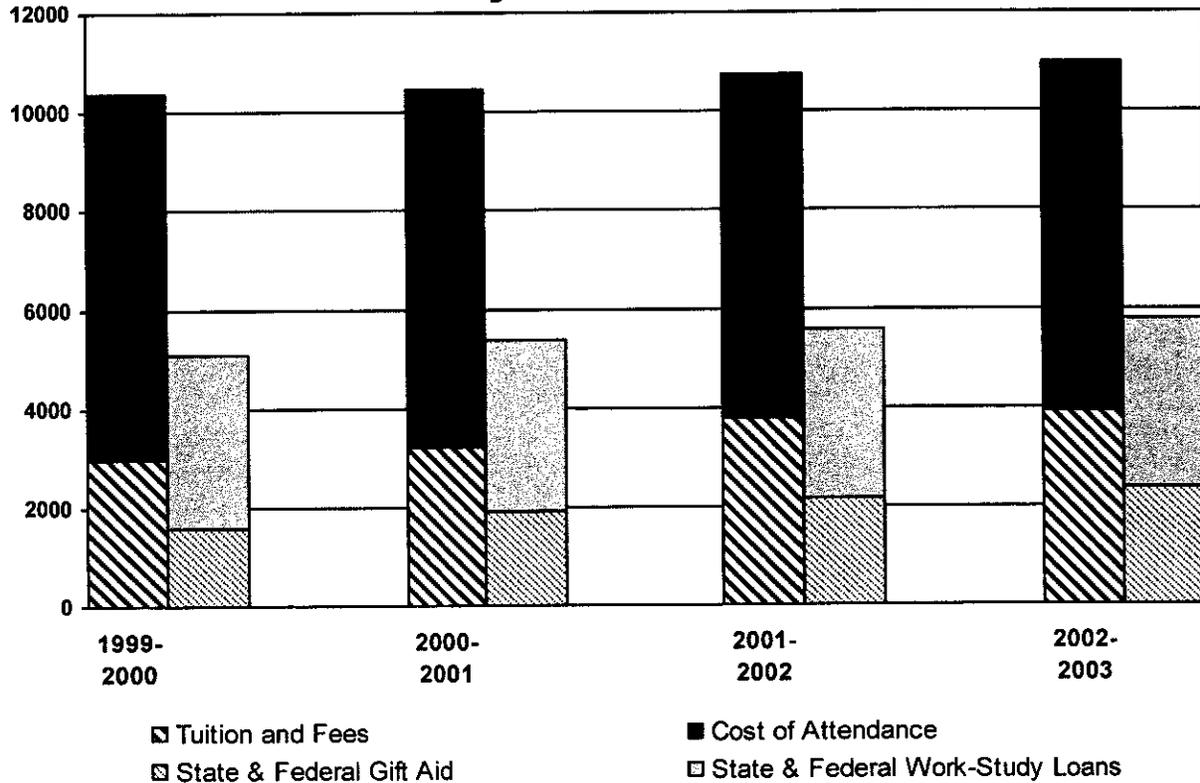


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,460.00	2,520.00	2,700.00	3,432.00
Other Costs of Attendance (books, room & board, etc.)	7,947.07	8,141.00	8,106.87	7,855.99
Total Cost of Attendance	10,407.07	10,661.00	10,806.87	11,287.99
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	472.18	715.43	877.71	957.15
Average Federal Gift Aid Awarded	1,090.30	1,262.16	1,416.48	1,456.20
Average State Self-Help (Work-Study and Loans)	112.21	96.00	75.38	93.46
Average Federal Self-Help (Work-Study and Loans)	4,426.66	4,249.42	4,004.66	4,229.78
Total Financial Aid	6,101.35	6,323.01	6,374.23	6,736.59

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, I.EAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
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Cost of Attendance vs. Available Financial Aid

The University of Texas at Arlington

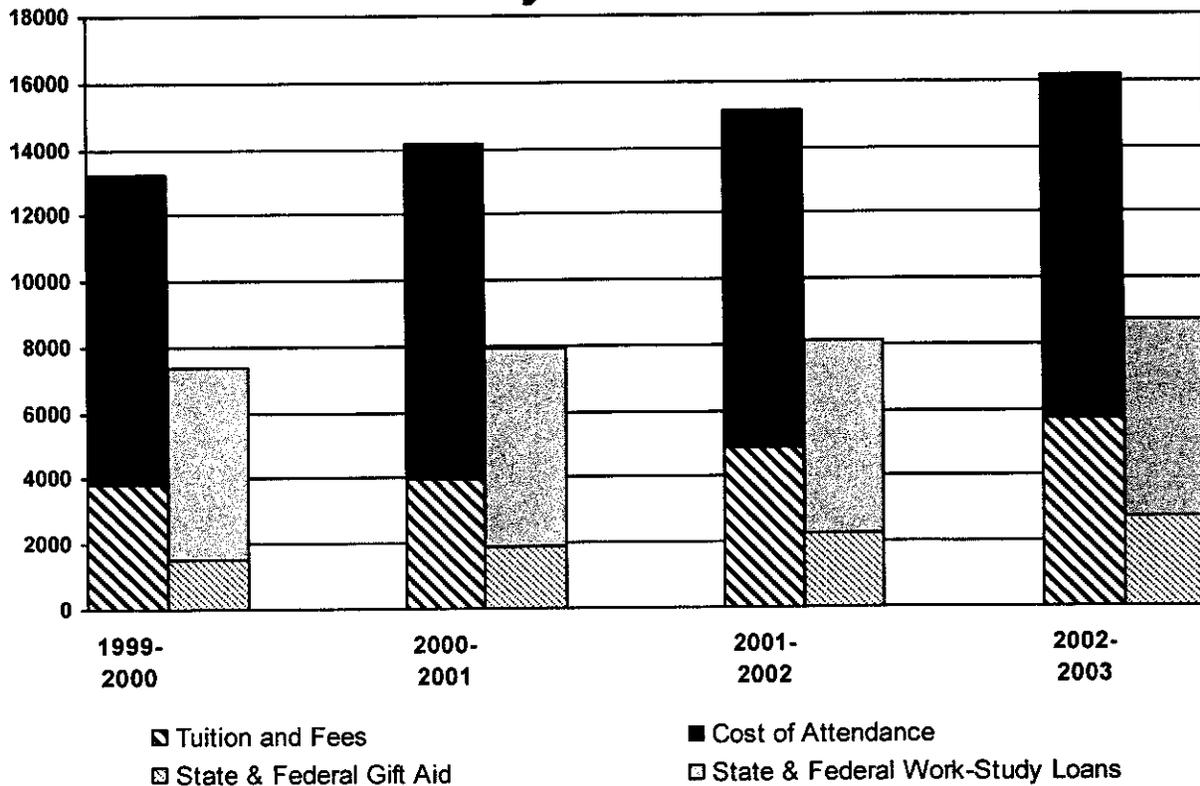


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,962.50	3,230.77	3,784.62	3,923.08
Other Costs of Attendance (books, room & board, etc.)	7,427.22	7,207.78	6,964.04	7,042.31
Total Cost of Attendance	10,389.72	10,438.55	10,748.65	10,965.39
Average State Gift Aid Awarded	349.92	574.32	719.59	937.33
Average Federal Gift Aid Awarded	1,219.48	1,330.83	1,421.73	1,410.70
Average State Self-Help (Work-Study and Loans)	10.50	15.18	23.76	18.77
Average Federal Self-Help (Work-Study and Loans)	3,496.42	3,438.41	3,424.14	3,391.96
Total Financial Aid	5,076.32	5,358.74	5,589.21	5,758.77

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEFG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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Cost of Attendance vs. Available Financial Aid

The University of Texas at Austin

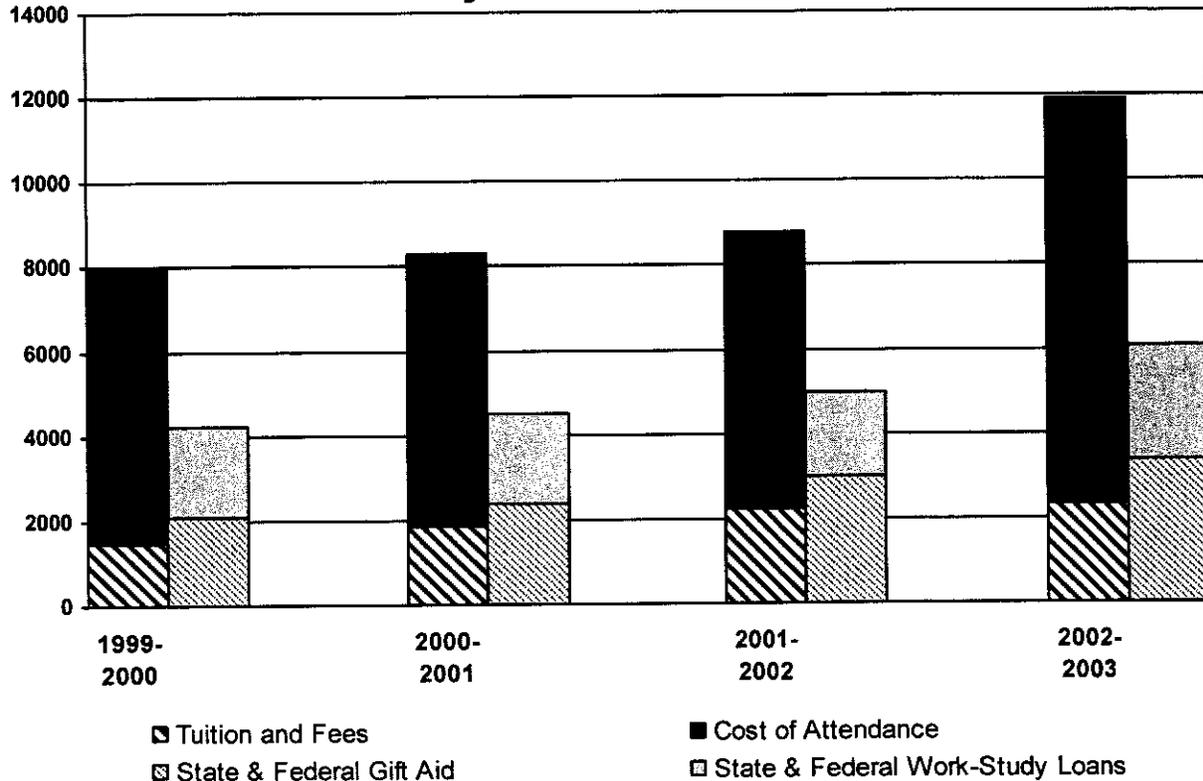


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	3,846.92	3,948.46	4,876.15	5,721.43
Other Costs of Attendance (books, room & board, etc.)	9,363.45	10,196.36	10,266.39	10,476.07
Total Cost of Attendance	13,210.38	14,144.82	15,142.54	16,197.50
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	642.53	873.05	1,124.87	1,563.73
Average Federal Gift Aid Awarded	909.27	997.35	1,120.66	1,202.08
Average State Self-Help (Work-Study and Loans)	119.12	128.66	134.90	115.41
Average Federal Self-Help (Work-Study and Loans)	5,718.80	5,944.70	5,715.45	5,824.13
Total Financial Aid	7,389.72	7,943.75	8,095.89	8,705.35

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, I FAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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Cost of Attendance vs. Available Financial Aid

The University of Texas at Brownsville

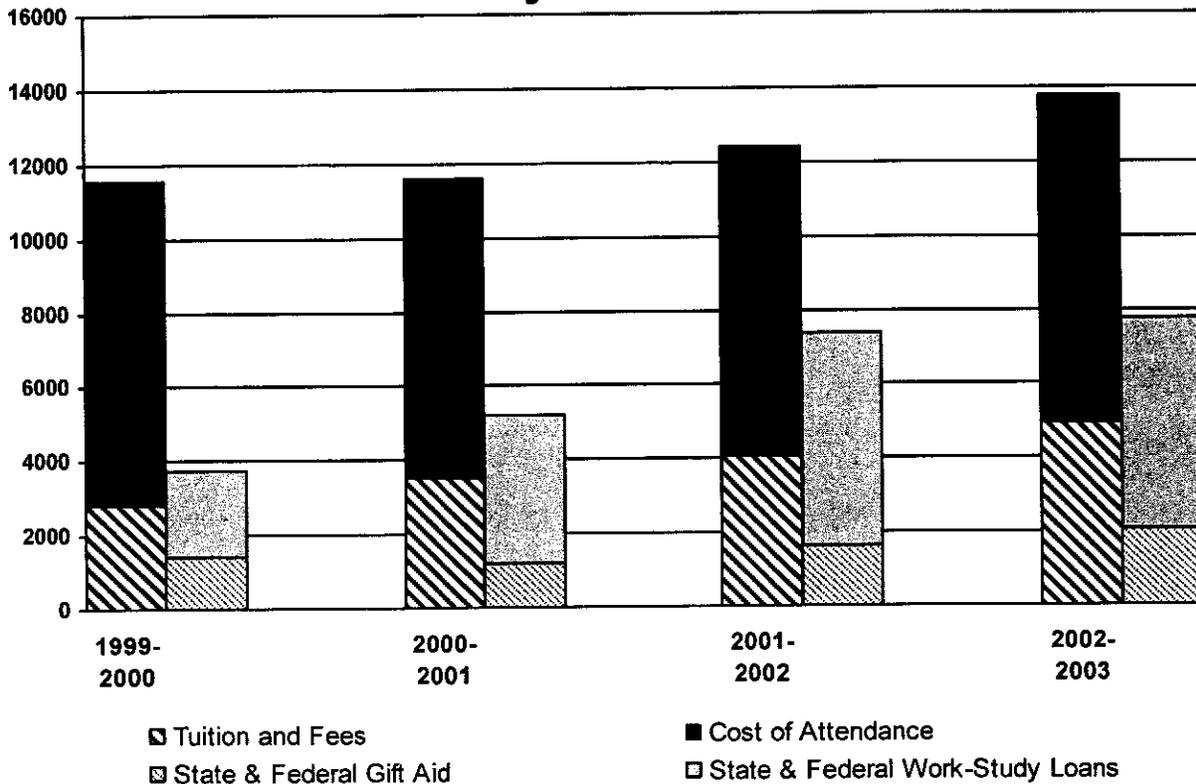


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	1,463.00	1,841.54	2,253.46	2,349.23
Other Costs of Attendance (books, room & board, etc.)	6,531.24	6,444.45	6,507.27	9,552.49
Total Cost of Attendance	7,994.24	8,285.99	8,760.73	11,901.73
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	196.42	319.65	656.46	1,125.10
Average Federal Gift Aid Awarded	1,884.85	2,049.68	2,309.74	2,234.53
Average State Self-Help (Work-Study and Loans)	10.52	5.30	5.38	6.74
Average Federal Self-Help (Work-Study and Loans)	2,119.57	2,141.92	1,992.73	2,689.24
Total Financial Aid	4,211.35	4,516.55	4,964.31	6,055.61

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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Cost of Attendance vs. Available Financial Aid

The University of Texas at Dallas



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,837.14	3,505.00	4,055.00	4,918.75
Other Costs of Attendance (books, room & board, etc.)	8,698.16	8,085.86	8,387.98	8,881.03
Total Cost of Attendance	11,535.30	11,590.86	12,442.98	13,799.78
Average State Gift Aid Awarded	326.30	318.74	594.29	932.43
Average Federal Gift Aid Awarded	1,104.83	850.83	1,051.65	1,117.89
Average State Self-Help (Work-Study and Loans)	1.50	-	5.61	4.66
Average Federal Self-Help (Work-Study and Loans)	2,332.39	4,060.30	5,709.93	5,690.22
Total Financial Aid	3,765.02	5,229.87	7,361.48	7,745.20

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

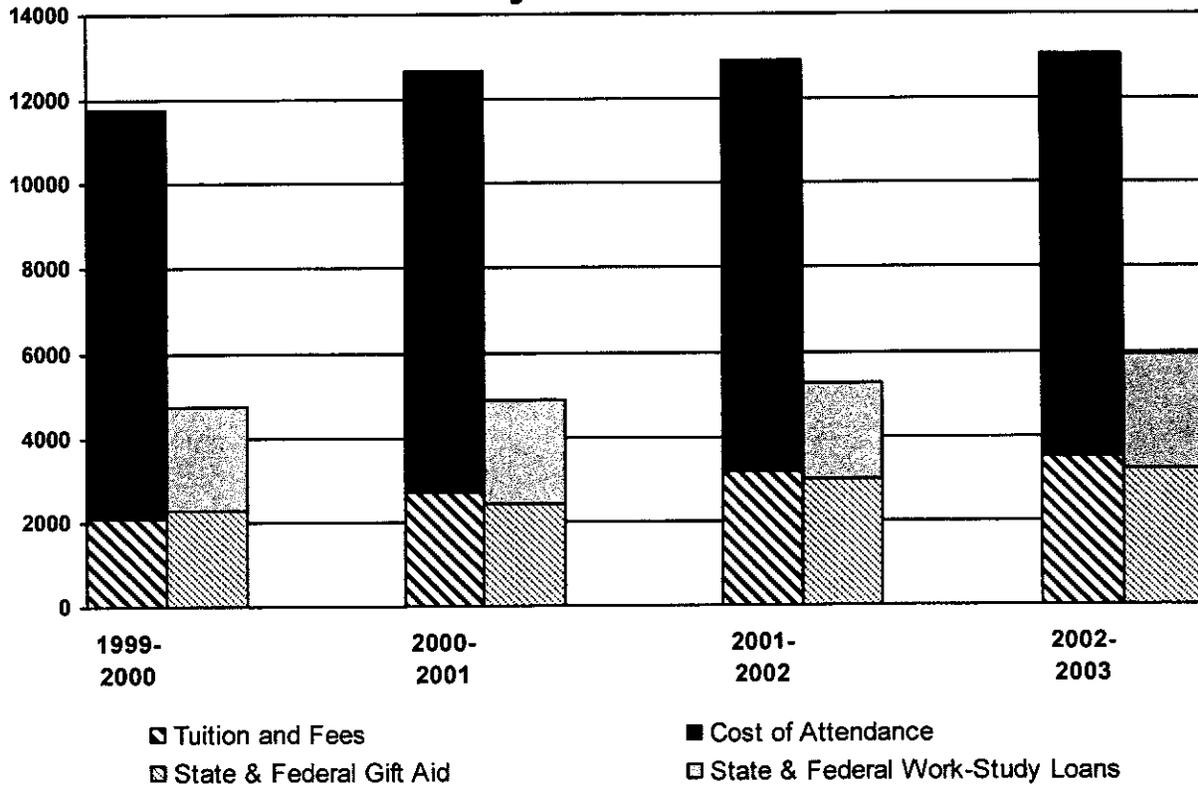
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*****State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

The University of Texas at El Paso



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,092.00	2,688.46	3,195.00	3,495.00
Other Costs of Attendance (books, room & board, etc.)	9,674.78	9,966.11	9,712.34	9,578.03
Total Cost of Attendance	11,766.78	12,654.58	12,907.34	13,073.03
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	458.61	519.00	895.84	971.79
Average Federal Gift Aid Awarded	1,797.28	1,916.62	2,089.35	2,232.26
Average State Self-Help (Work-Study and Loans)	-	8.15	6.40	6.06
Average Federal Self-Help (Work-Study and Loans)	2,512.08	2,427.59	2,281.06	2,711.11
Total Financial Aid	4,767.97	4,871.36	5,272.64	5,921.23

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

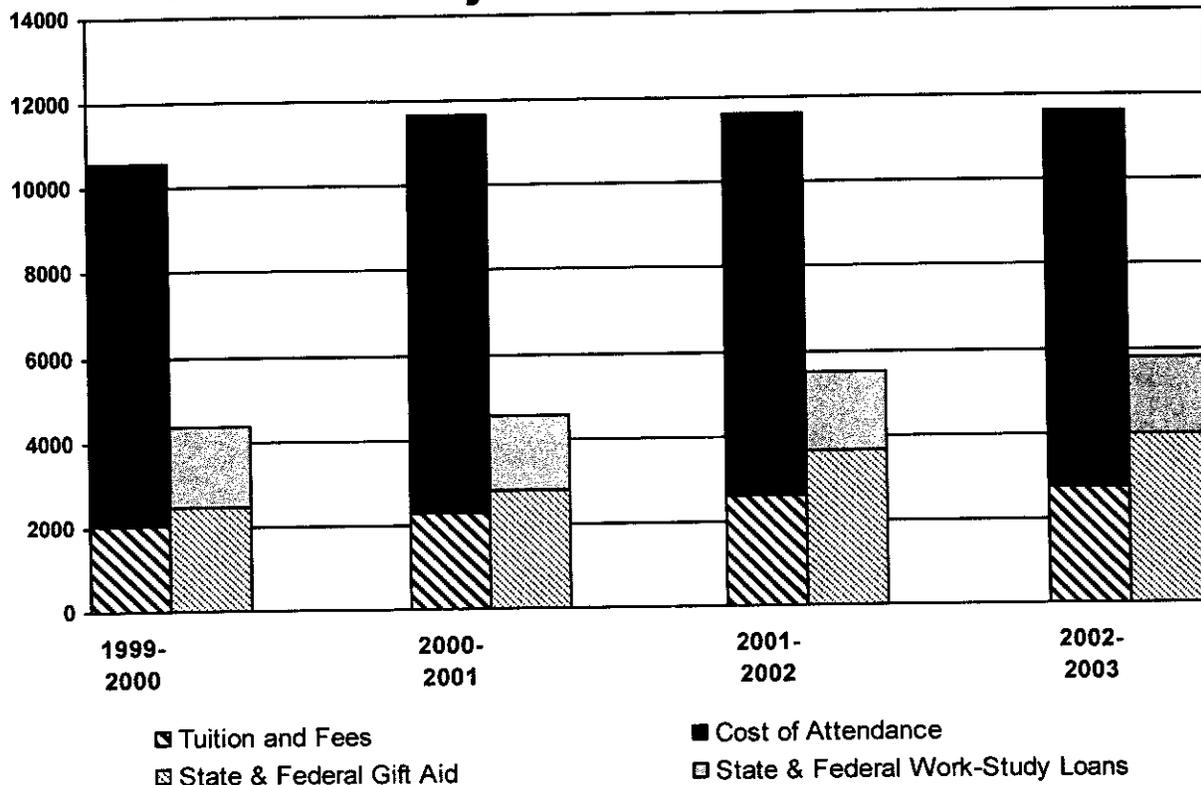
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

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Cost of Attendance vs. Available Financial Aid

The University of Texas-Pan American

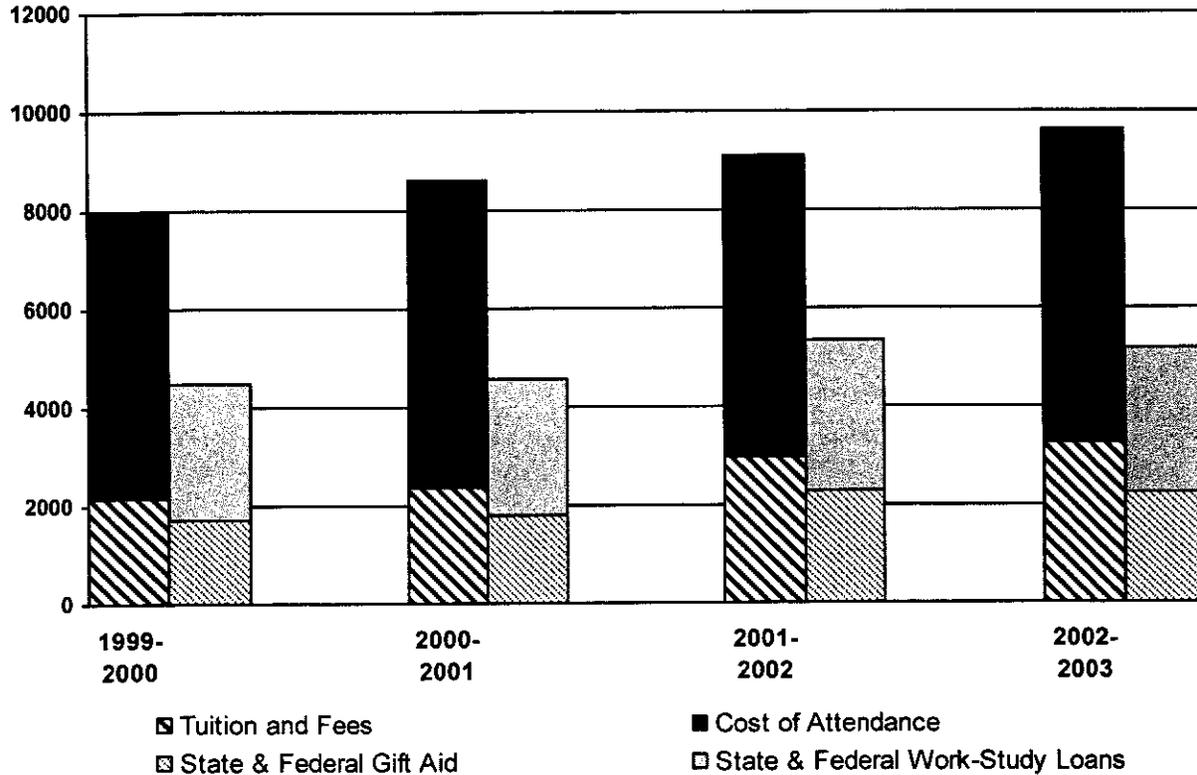


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,031.43	2,261.79	2,625.00	2,745.00
Other Costs of Attendance (books, room & board, etc.)	8,573.04	9,392.11	8,989.96	8,860.77
Total Cost of Attendance	10,604.47	11,653.90	11,614.96	11,605.77
Average State Gift Aid Awarded	560.53	698.19	1,369.42	1,636.82
Average Federal Gift Aid Awarded	1,919.66	2,082.73	2,307.79	2,332.33
Average State Self-Help (Work-Study and Loans)	9.01	8.43	7.79	6.97
Average Federal Self-Help (Work-Study and Loans)	1,879.68	1,755.05	1,814.15	1,811.18
Total Financial Aid	4,368.88	4,544.41	5,499.16	5,787.30

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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- ***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

The University of Texas of the Permian Basin



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,145.00	2,356.07	2,970.00	3,245.00
Other Costs of Attendance (books, room & board, etc.)	5,826.50	6,249.63	6,127.98	6,373.06
Total Cost of Attendance	7,971.50	8,605.70	9,097.98	9,618.06
Average State Gift Aid Awarded	406.75	362.62	438.36	551.76
Average Federal Gift Aid Awarded	1,301.60	1,415.61	1,827.37	1,695.66
Average State Self-Help (Work-Study and Loans)	-	-	7.11	7.62
Average Federal Self-Help (Work-Study and Loans)	2,762.45	2,776.96	3,077.00	2,919.86
Total Financial Aid	4,470.80	4,555.18	5,349.84	5,174.90

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

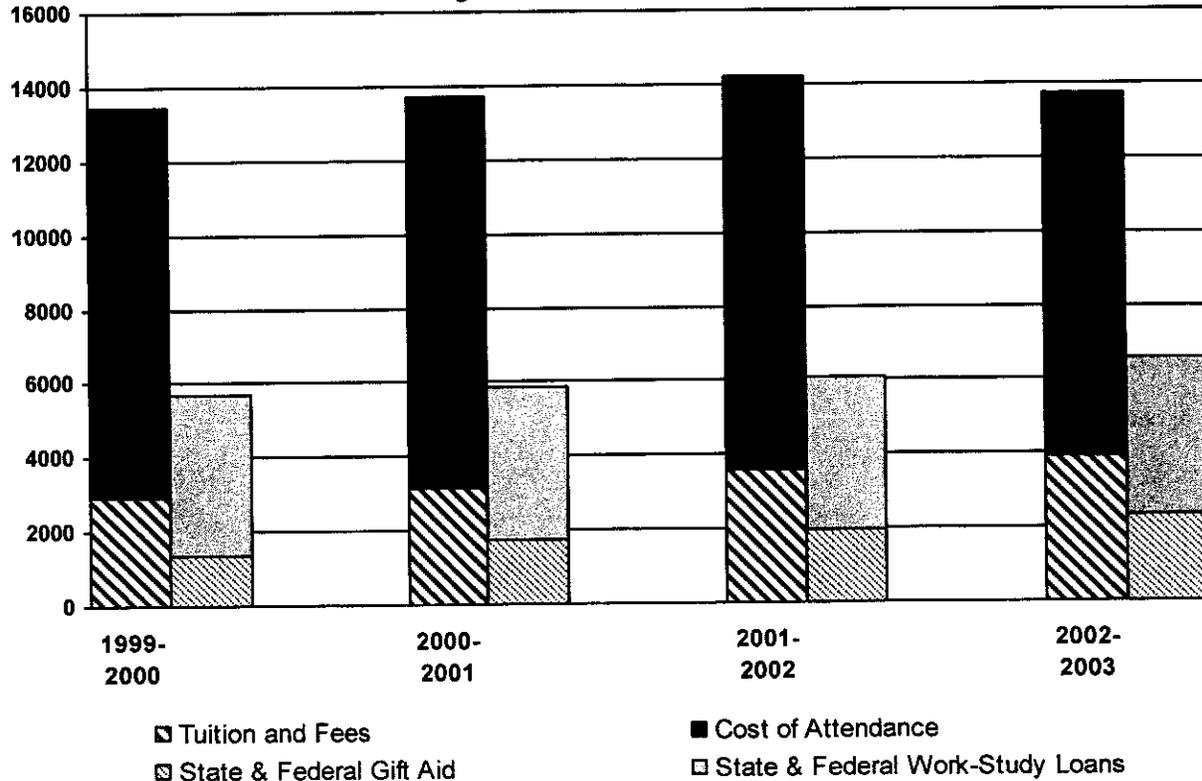
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

The University of Texas at San Antonio

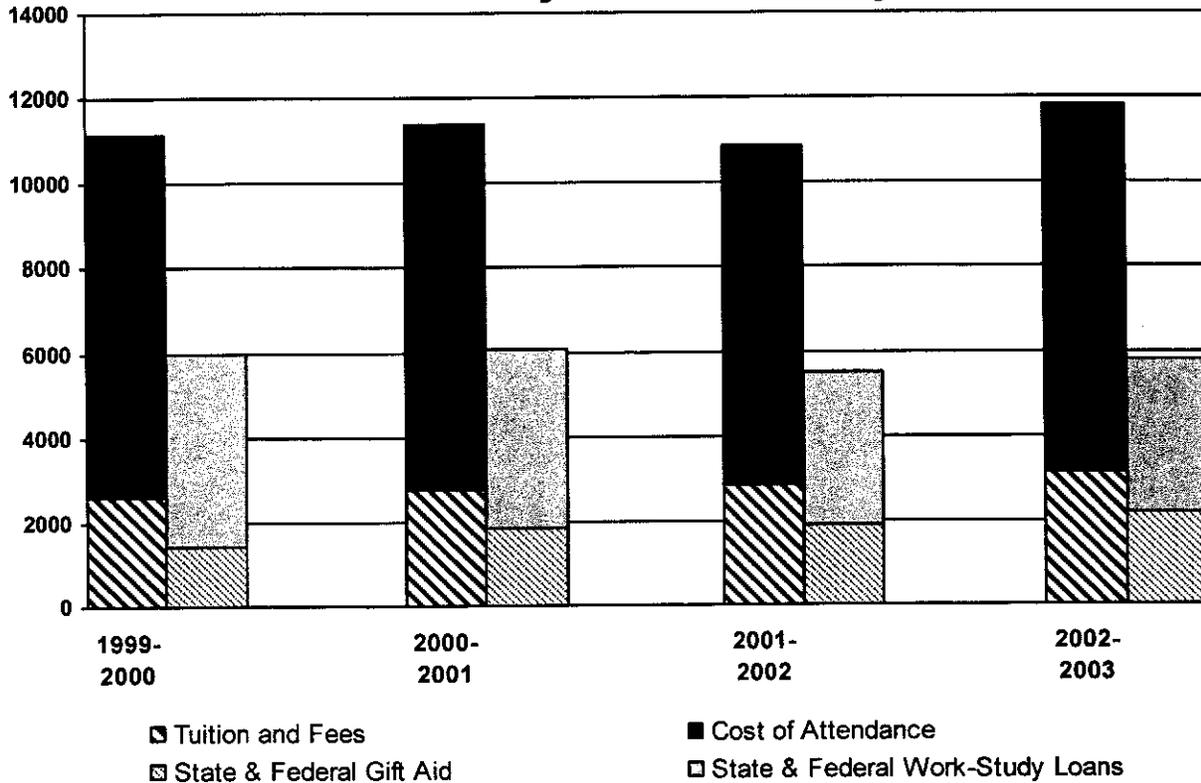


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,912.50	3,155.00	3,597.50	3,920.00
Other Costs of Attendance (books, room & board, etc.)	10,515.73	10,542.61	10,608.76	9,804.02
Total Cost of Attendance	13,428.23	13,697.61	14,206.26	13,724.02
Average State Gift Aid Awarded	230.14	420.60	528.31	763.89
Average Federal Gift Aid Awarded	1,111.40	1,291.27	1,445.98	1,541.95
Average State Self-Help (Work-Study and Loans)	53.45	27.68	36.46	5.78
Average Federal Self-Help (Work-Study and Loans)	4,287.20	4,144.31	4,037.47	4,264.42
Total Financial Aid	5,682.19	5,883.86	6,048.22	6,576.05

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
- ***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

The University of Texas at Tyler



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,612.00	2,732.00	2,852.00	3,122.00
Other Costs of Attendance (books, room & board, etc.)	8,553.97	8,669.67	7,997.25	8,672.52
Total Cost of Attendance	11,165.97	11,401.67	10,849.25	11,794.52
Average State Gift Aid Awarded	290.33	342.06	410.07	664.70
Average Federal Gift Aid Awarded	1,140.04	1,171.03	1,473.32	1,508.53
Average State Self-Help (Work-Study and Loans)	5.66	-	4.63	5.30
Average Federal Self-Help (Work-Study and Loans)	4,529.75	4,231.68	3,625.31	3,589.39
Total Financial Aid	5,965.79	5,744.77	5,513.33	5,767.92

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

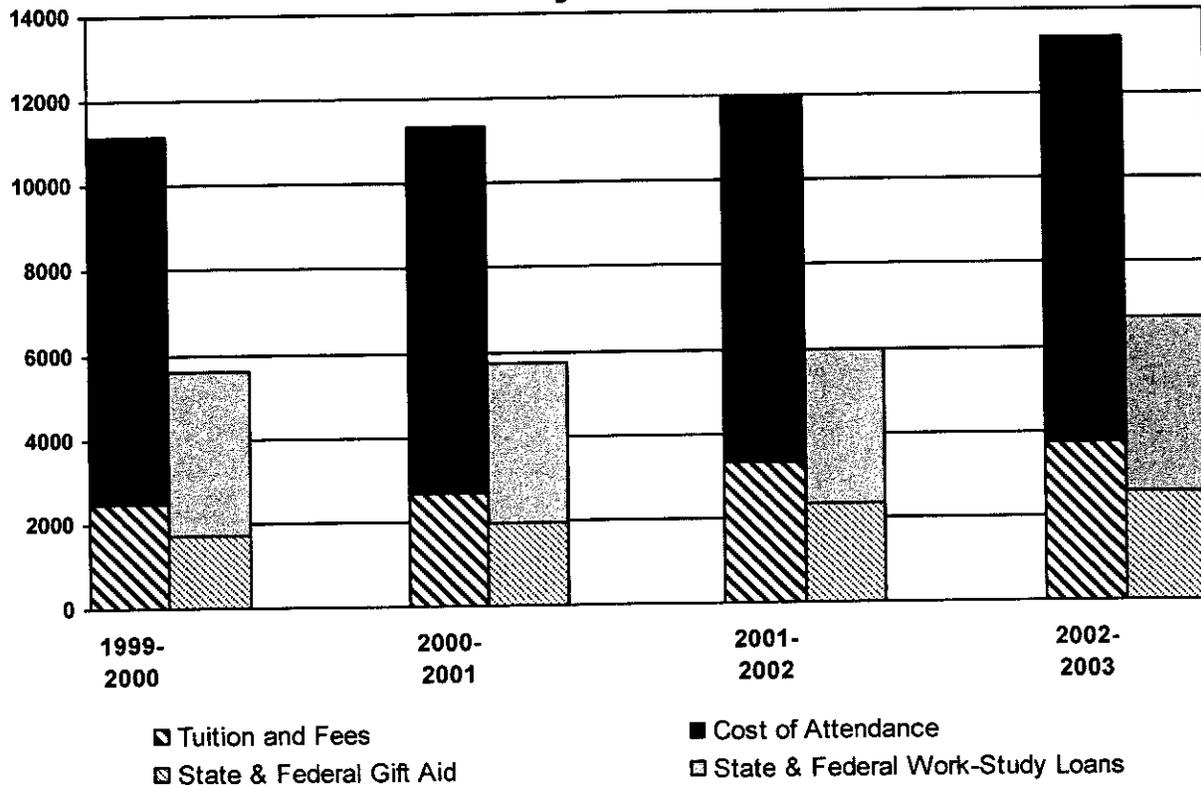
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

*****State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

University of Houston

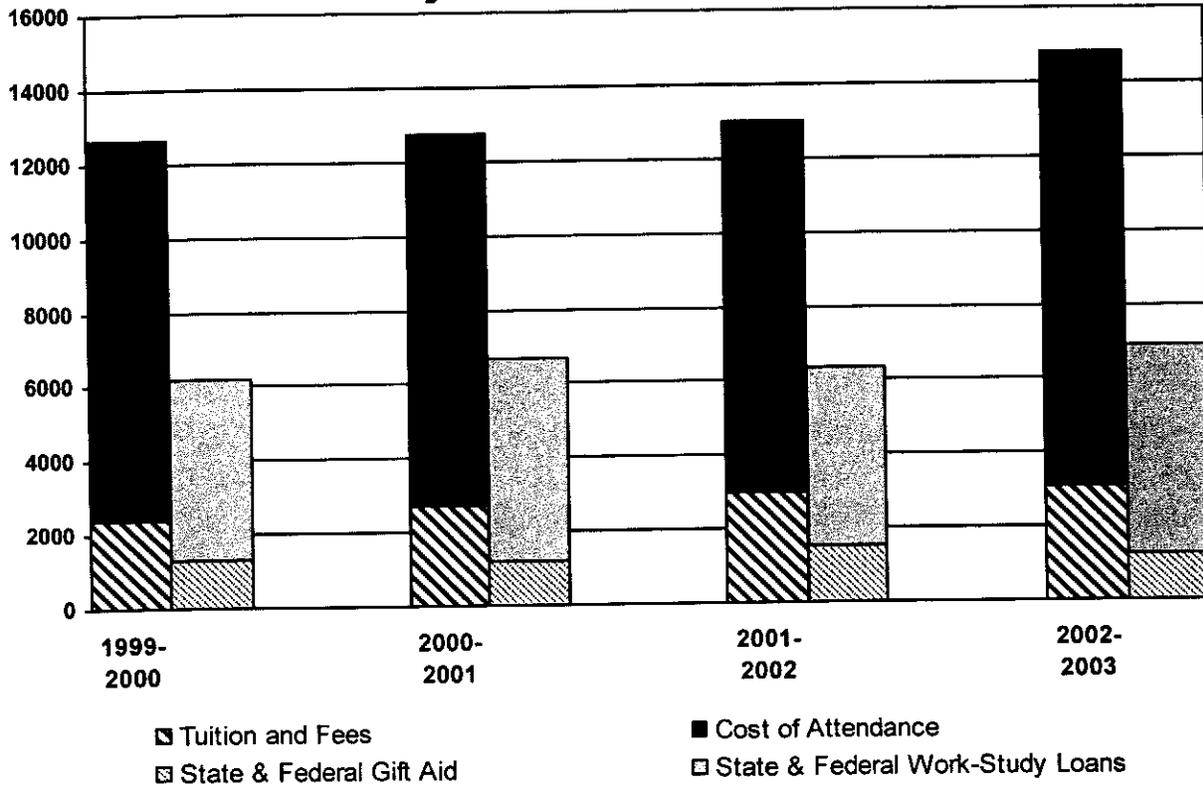


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,478.21	2,638.00	3,300.00	3,735.00
Other Costs of Attendance (books, room & board, etc.)	8,678.20	8,690.77	8,650.83	9,593.39
Total Cost of Attendance	11,156.41	11,328.77	11,950.83	13,328.39
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	409.10	510.20	715.06	936.23
Average Federal Gift Aid Awarded	1,293.55	1,455.99	1,631.04	1,621.49
Average State Self-Help (Work-Study and Loans)	8.03	11.95	5.03	9.47
Average Federal Self-Help (Work-Study and Loans)	3,881.79	3,767.46	3,610.92	4,144.65
Total Financial Aid	5,592.47	5,745.60	5,962.04	6,711.84

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
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- ***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

University of Houston-Clear Lake

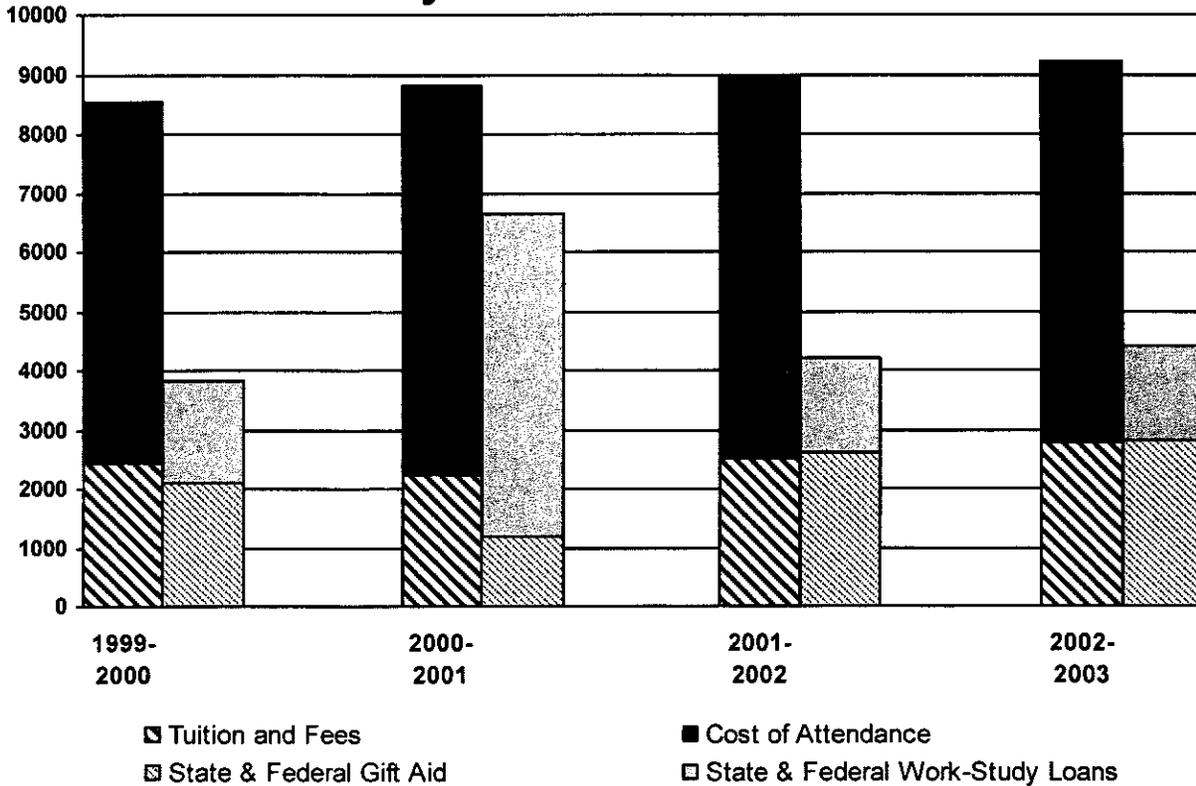


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,405.00	2,690.00	3,001.25	3,100.00
Other Costs of Attendance (books, room & board, etc.)	10,245.42	10,053.23	10,038.14	11,722.26
Total Cost of Attendance	12,650.42	12,743.23	13,039.39	14,822.26
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	397.14	273.72	335.81	337.21
Average Federal Gift Aid Awarded	878.70	913.13	1,194.00	913.01
Average State Self-Help (Work-Study and Loans)	5.56	6.03	5.40	5.18
Average Federal Self-Help (Work-Study and Loans)	4,882.71	5,460.37	4,826.77	5,615.15
Total Financial Aid	6,164.11	6,653.25	6,361.99	6,870.56

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, I.FAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
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Cost of Attendance vs. Available Financial Aid

University of Houston-Downtown

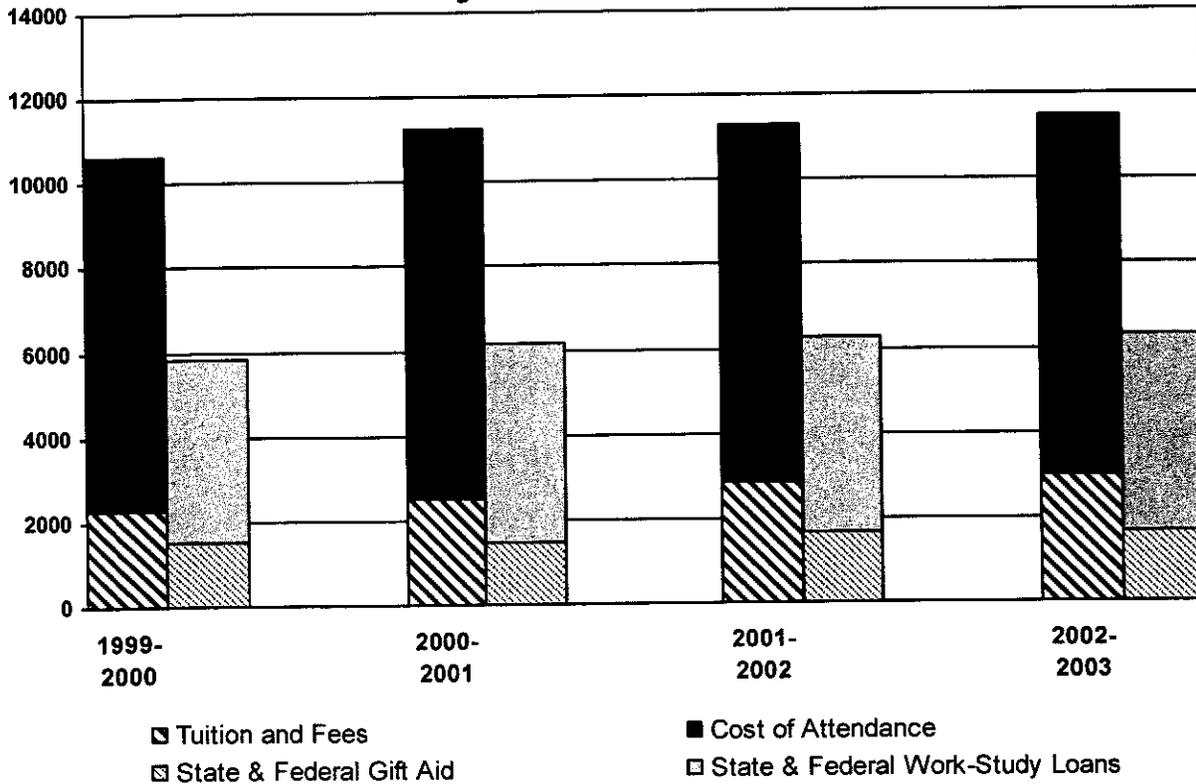


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,452.50	2,242.50	2,507.50	2,777.50
Other Costs of Attendance (books, room & board, etc.)	6,100.18	6,561.37	6,425.52	6,436.58
Total Cost of Attendance	8,552.68	8,803.87	8,933.02	9,214.08
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	396.60	428.22	553.12	726.40
Average Federal Gift Aid Awarded	1,712.94	1,792.25	2,048.30	2,082.78
Average State Self-Help (Work-Study and Loans)	6.06	7.38	5.43	5.75
Average Federal Self-Help (Work-Study and Loans)	1,725.20	1,701.16	1,593.53	1,580.47
Total Financial Aid	3,840.80	3,929.00	4,200.37	4,395.39

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
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Cost of Attendance vs. Available Financial Aid

University of Houston-Victoria

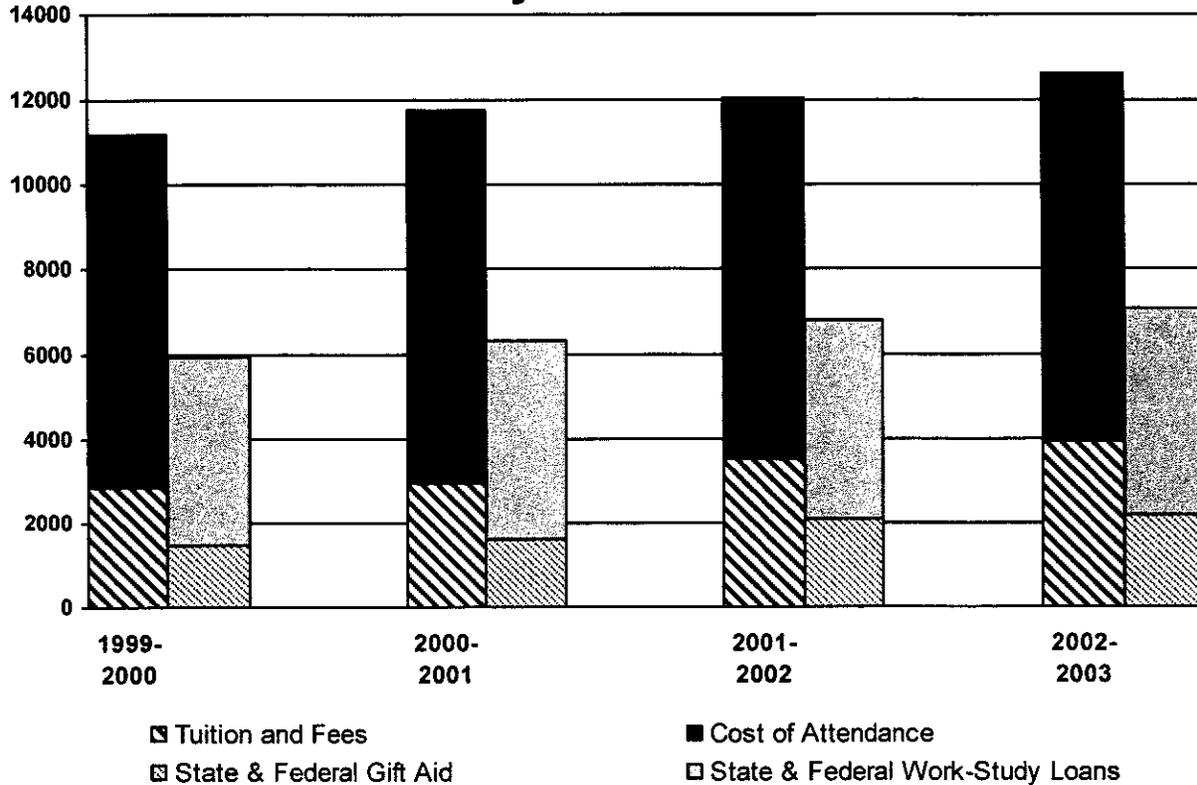


	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,280.00	2,505.00	2,835.00	2,985.00
Other Costs of Attendance (books, room & board, etc.)	8,361.39	8,763.71	8,446.56	8,519.09
Total Cost of Attendance	10,641.39	11,268.71	11,281.56	11,504.09
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	454.72	443.92	585.57	513.50
Average Federal Gift Aid Awarded	1,067.88	1,028.01	1,093.38	1,143.57
Average State Self-Help (Work-Study and Loans)	20.55	13.27	12.42	4.18
Average Federal Self-Help (Work-Study and Loans)	4,306.91	4,663.29	4,575.11	4,662.02
Total Financial Aid	5,850.05	6,148.49	6,266.47	6,323.28

- * Tuition and fees based on 15 SCH per semester.
- ** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.
- *** Federal Programs include: Pell, SEOG, Byrd, SLEAP.
- **** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.
- ***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.
- ***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

University of North Texas



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,826.92	2,942.31	3,519.23	3,923.08
Other Costs of Attendance (books, room & board, etc.)	8,358.08	8,821.61	8,532.25	8,694.04
Total Cost of Attendance	11,185.00	11,763.92	12,051.48	12,617.12
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	502.44	530.66	774.29	843.47
Average Federal Gift Aid Awarded	969.58	1,079.26	1,306.58	1,334.42
Average State Self-Help (Work-Study and Loans)	19.12	24.35	28.82	33.20
Average Federal Self-Help (Work-Study and Loans)	4,427.37	4,662.01	4,660.05	4,865.40
Total Financial Aid	5,918.51	6,296.28	6,769.73	7,076.49

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

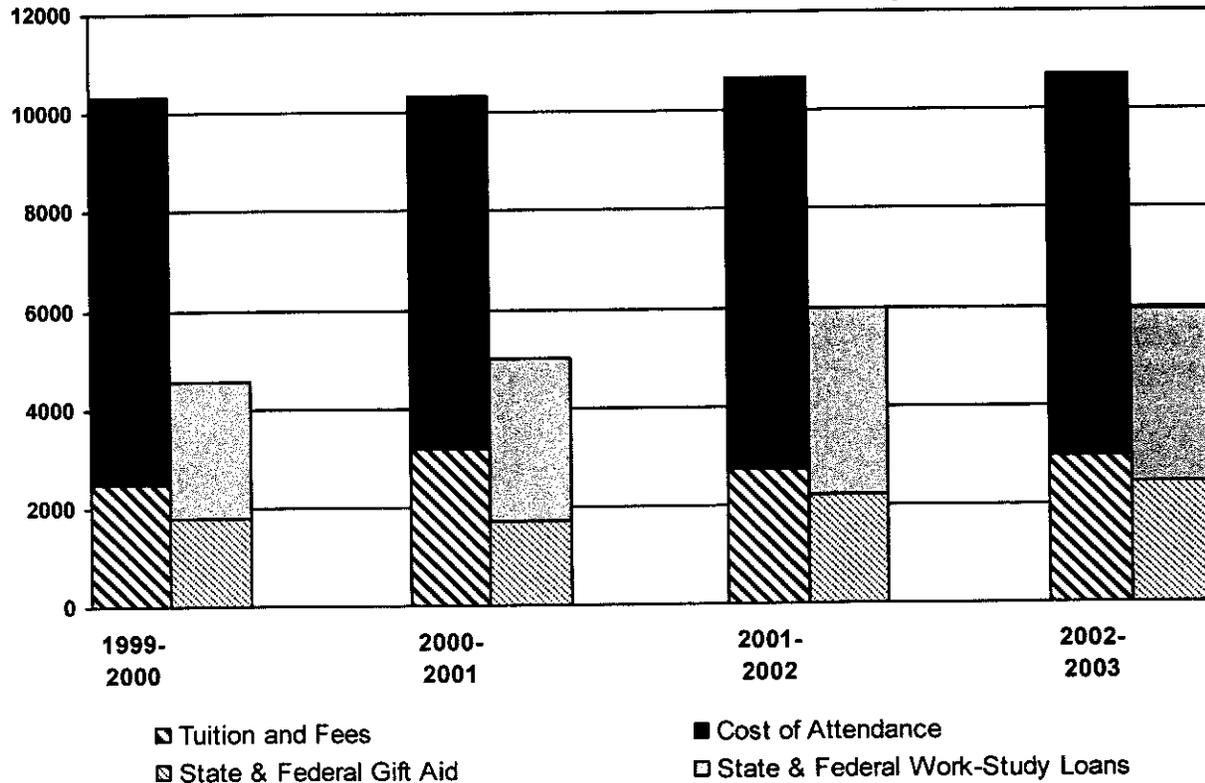
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

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***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Cost of Attendance vs. Available Financial Aid

West Texas A&M University



	1999-2000	2000-2001	2001-2002	2002-2003
Average Tuition and Fees	2,486.25	3,189.38	2,734.00	2,979.23
Other Costs of Attendance (books, room & board, etc.)	7,829.60	7,147.13	7,932.80	7,726.87
Total Cost of Attendance	10,315.85	10,336.51	10,666.80	10,706.10
	1999-2000	2000-2001	2001-2002	2002-2003
Average State Gift Aid Awarded	538.02	383.03	592.08	779.90
Average Federal Gift Aid Awarded	1,264.79	1,310.77	1,614.73	1,650.38
Average State Self-Help (Work-Study and Loans)	8.08	9.83	9.69	8.50
Average Federal Self-Help (Work-Study and Loans)	2,728.09	3,283.70	3,749.00	3,490.28
Total Financial Aid	4,538.99	4,987.34	5,965.50	5,929.06

* Tuition and fees based on 15 SCH per semester.

** Tuition and fee average for 2002-2003 based on CB survey (public information office) and IFRS data.

*** Federal Programs include: Pell, SEOG, Byrd, SLEAP.

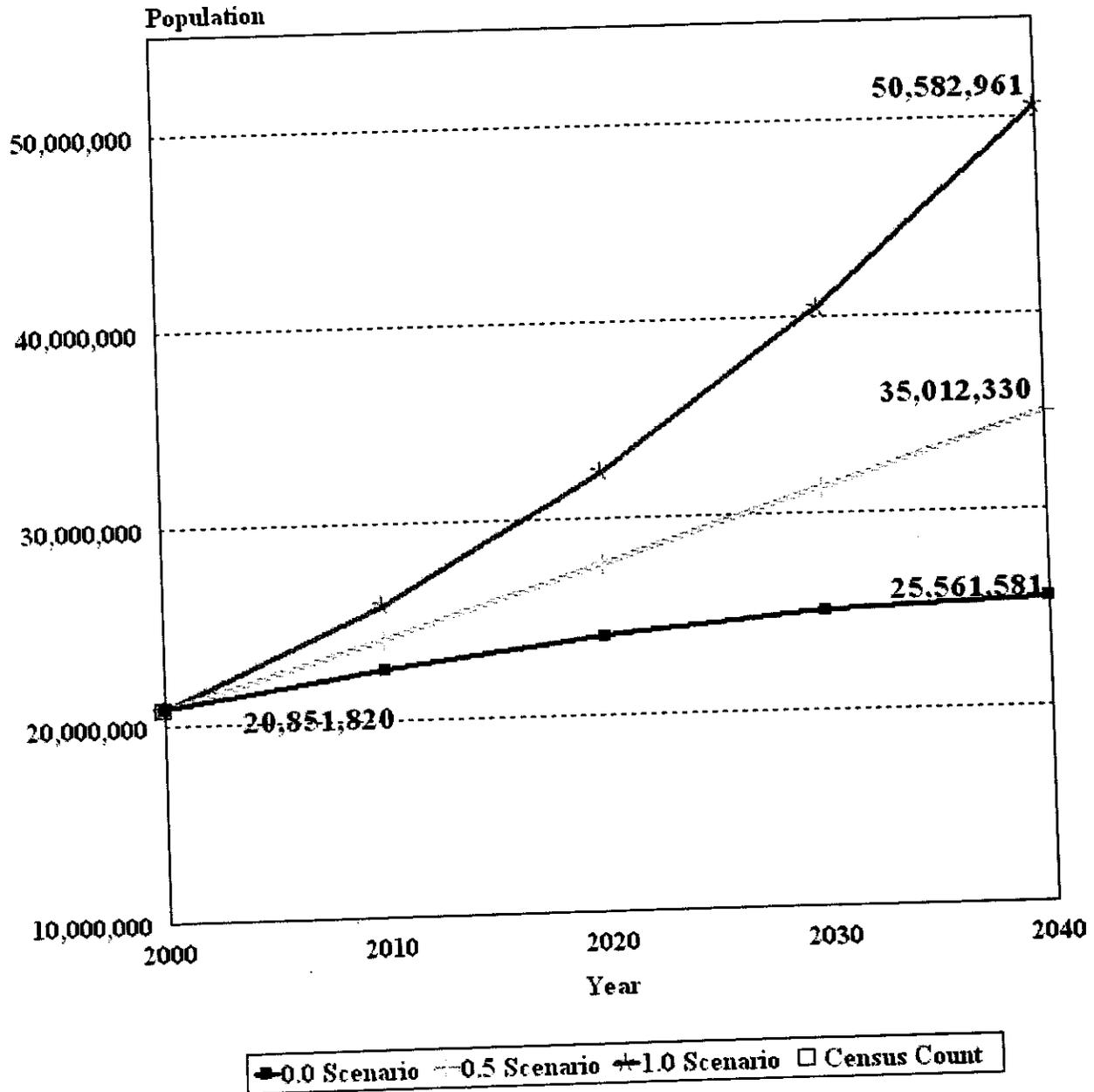
**** State Programs include: TPEG On Campus, PSIG-LEAP, TEG, LEAP, Nursing, Student Deposit Scholarship, TEXAS Grant, TEXAS Grant II, Teach for Texas.

***** Federal WS and Loans include: Federal Work-Study, Americorps, Subsidized and Unsubsidized Stafford Loans, Perkins Loans, SLS Loans, Subsidized and Unsubsidized Federal Direct Loans.

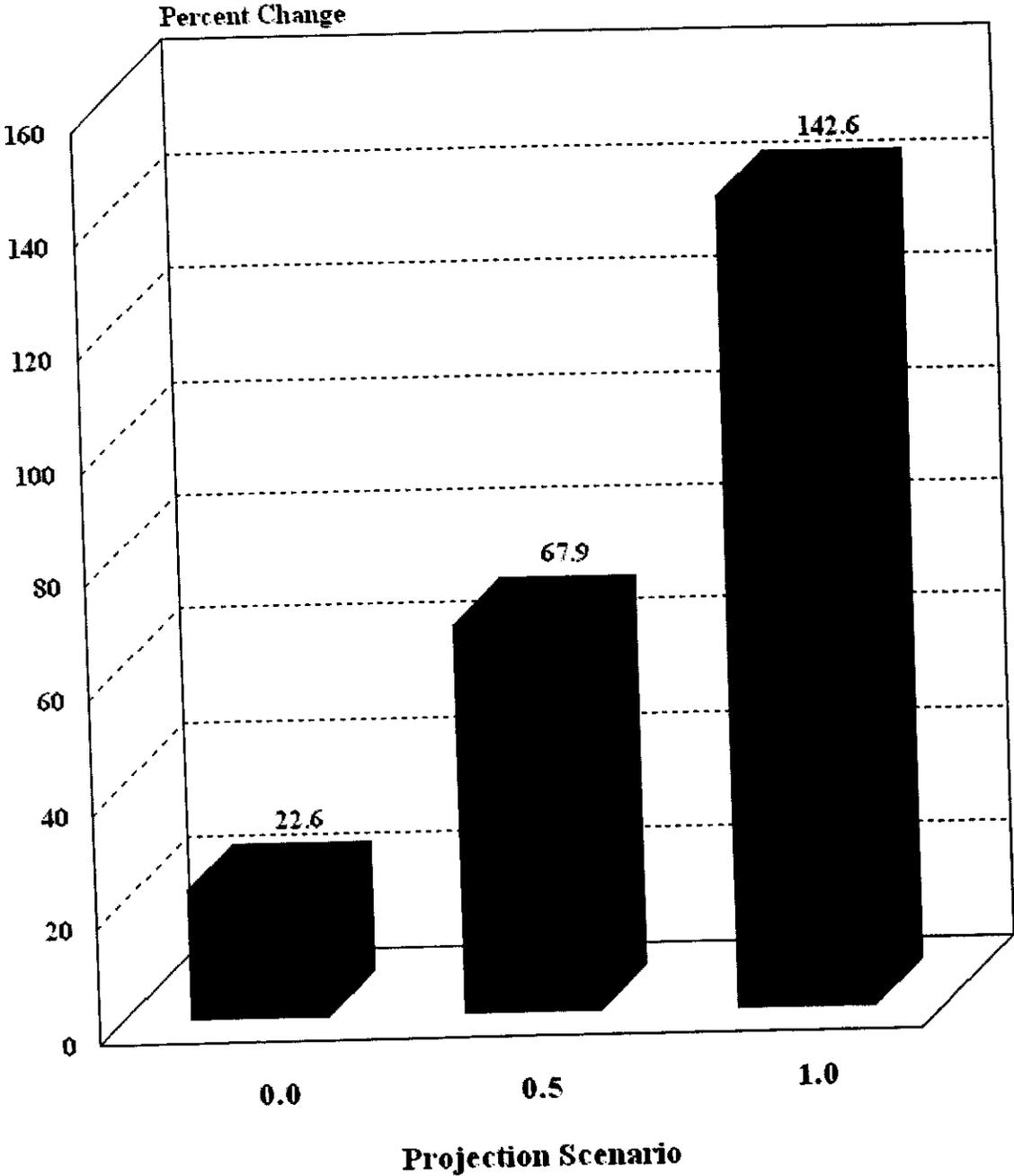
***** State Work-Study and Loans include: Texas College Work-Study, CAL and HEAL/HELP.

Appendix E

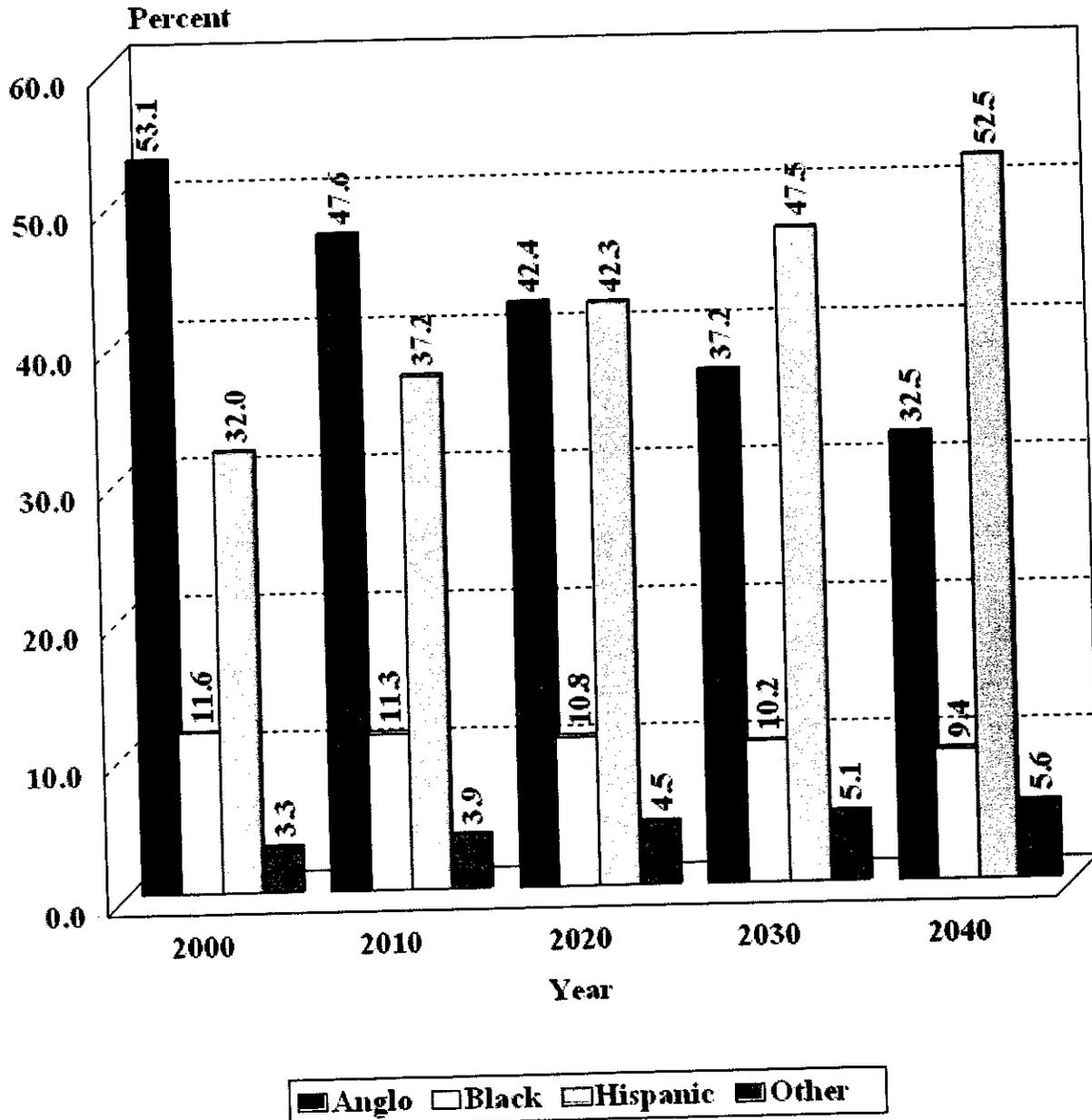
Population in Texas in 2000 and Projections to 2040 for All Scenarios



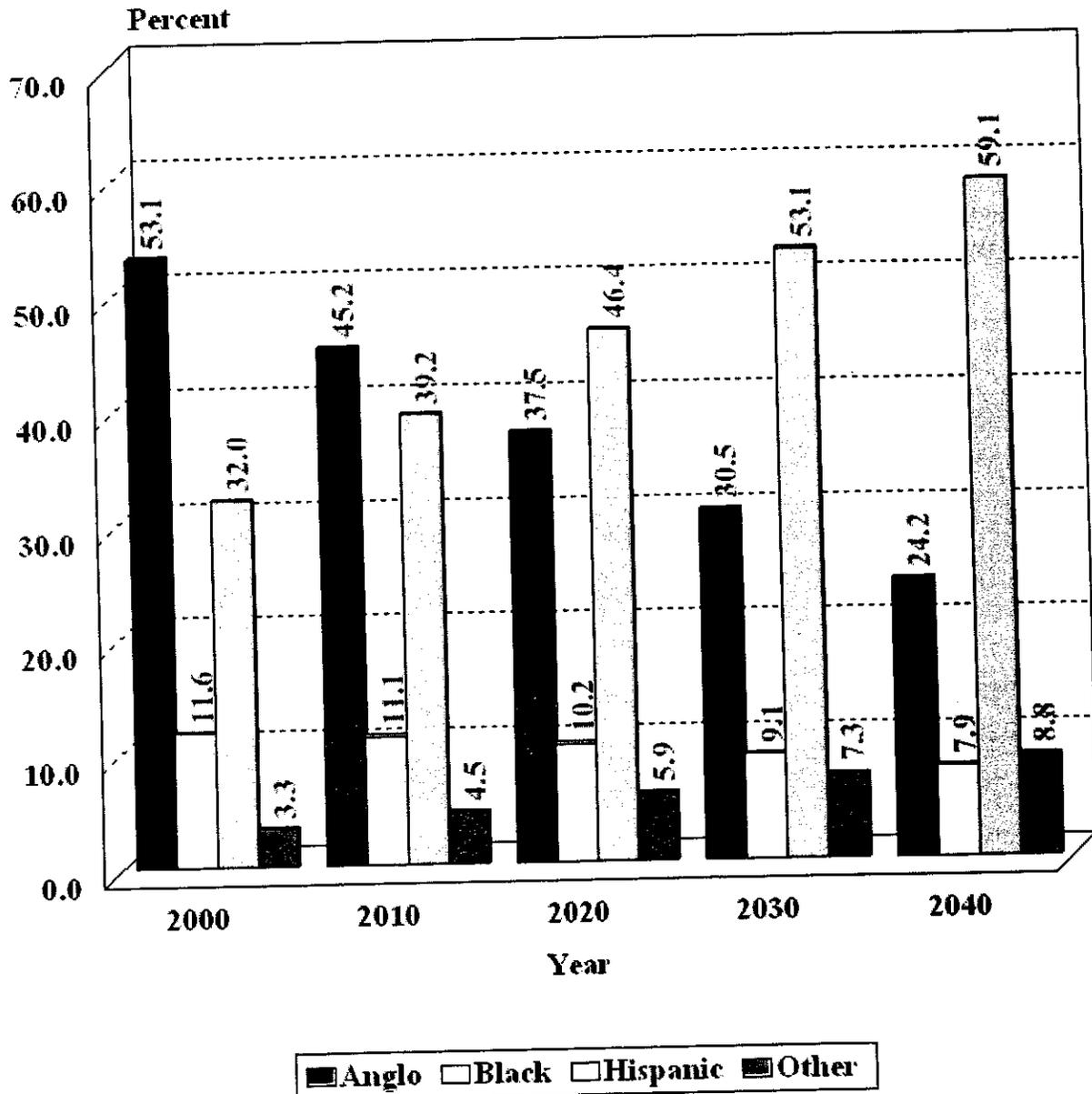
Percent Change in Texas Population by Alternative Projection Scenarios, 2000 to 2040



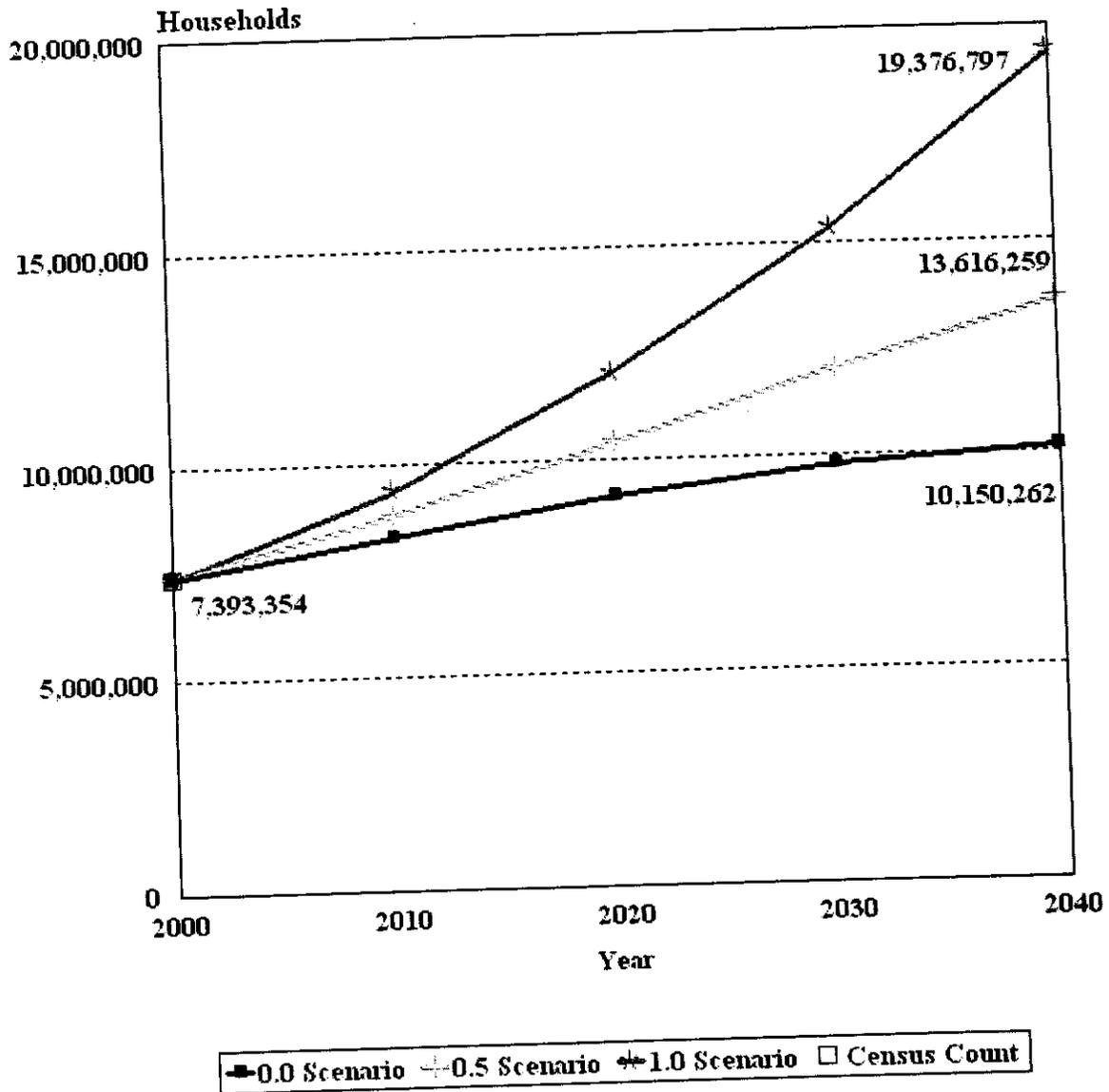
Percent of Texas Population by Race/Ethnicity in 2000 and Projections to 2040 (0.5 Scenario)



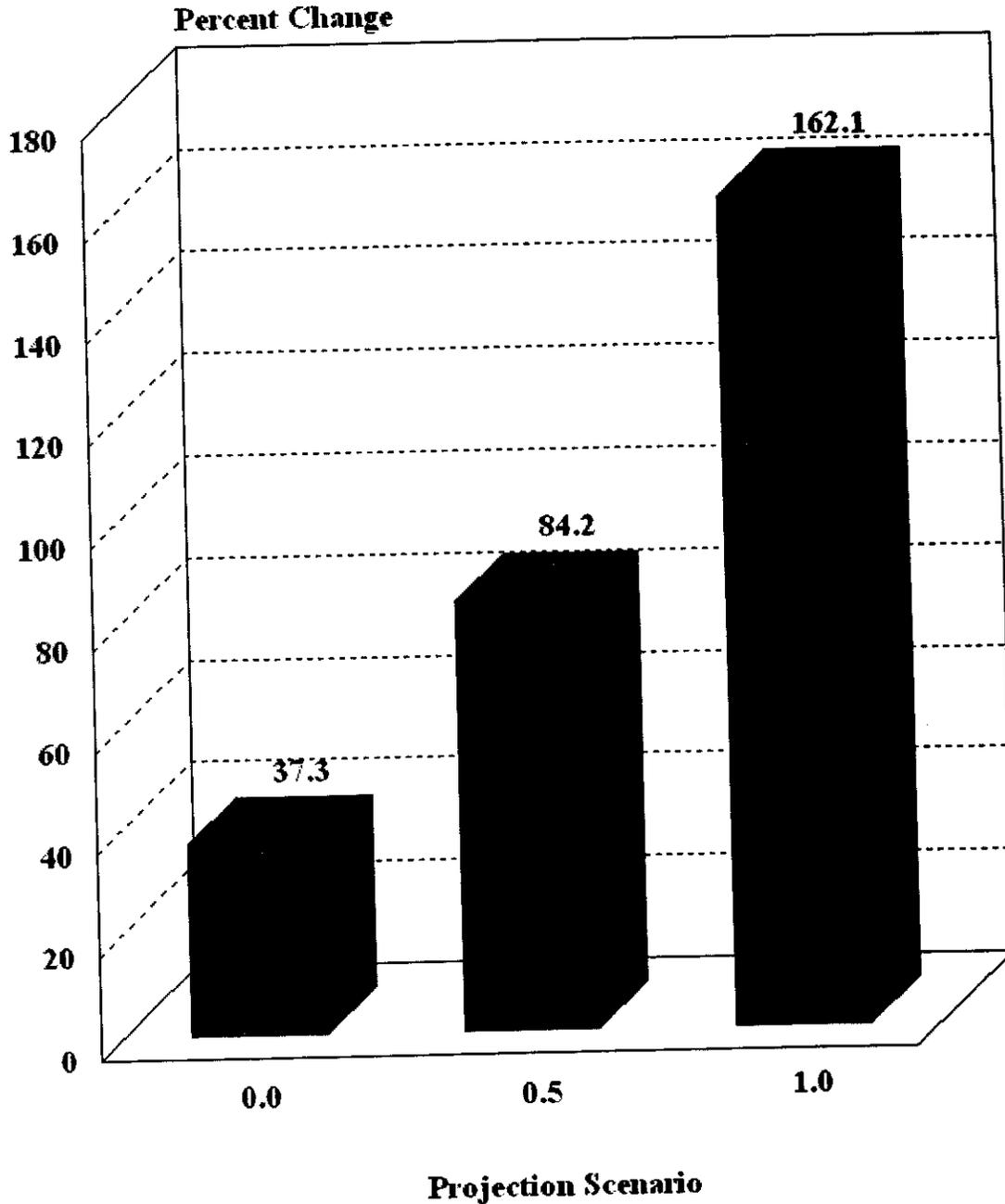
Percent of Texas Population by Race/Ethnicity in 2000 and Projections to 2040 (1.0 Scenario)



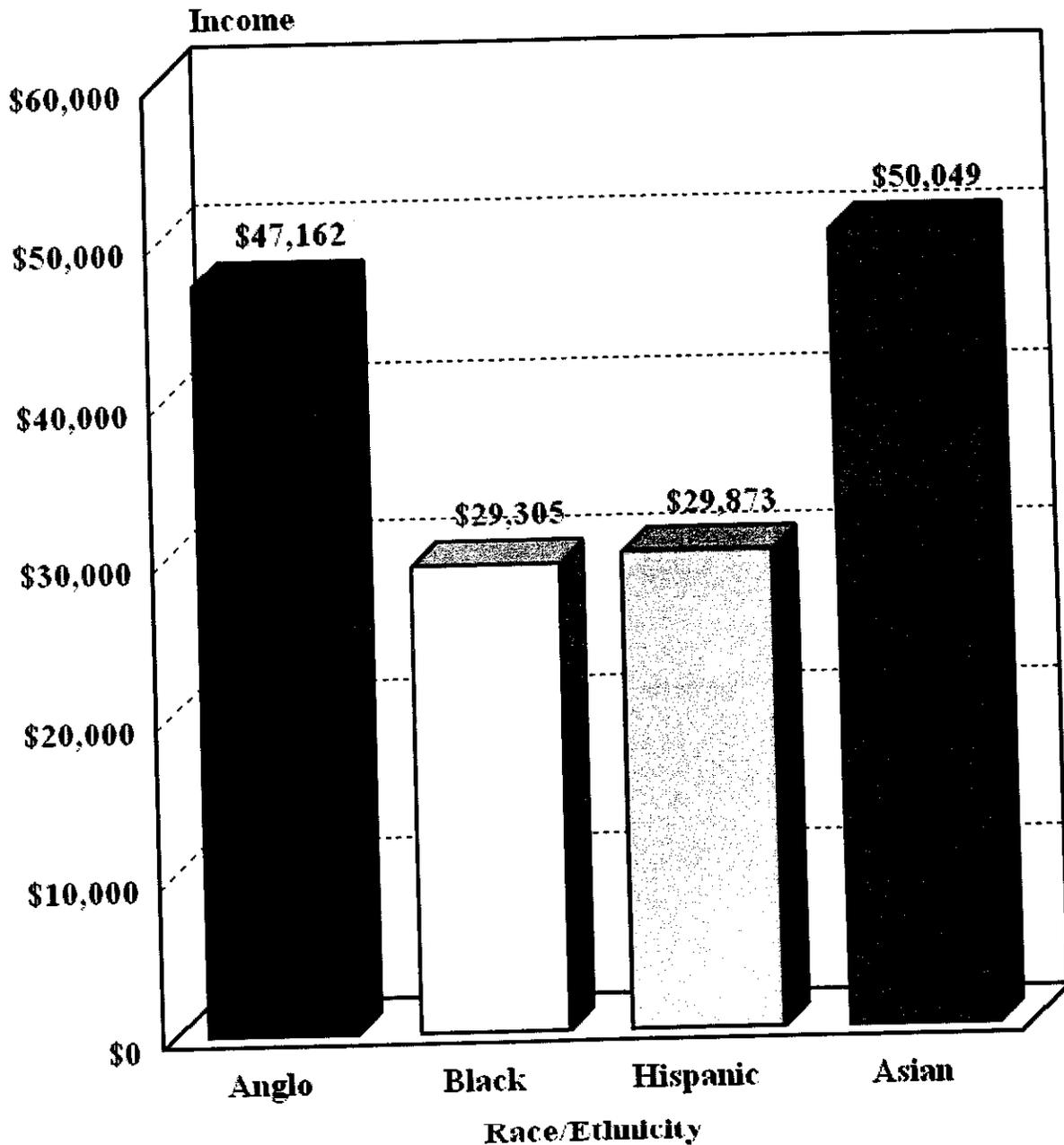
Households in Texas in 2000 and Projections to 2040 for All Scenarios



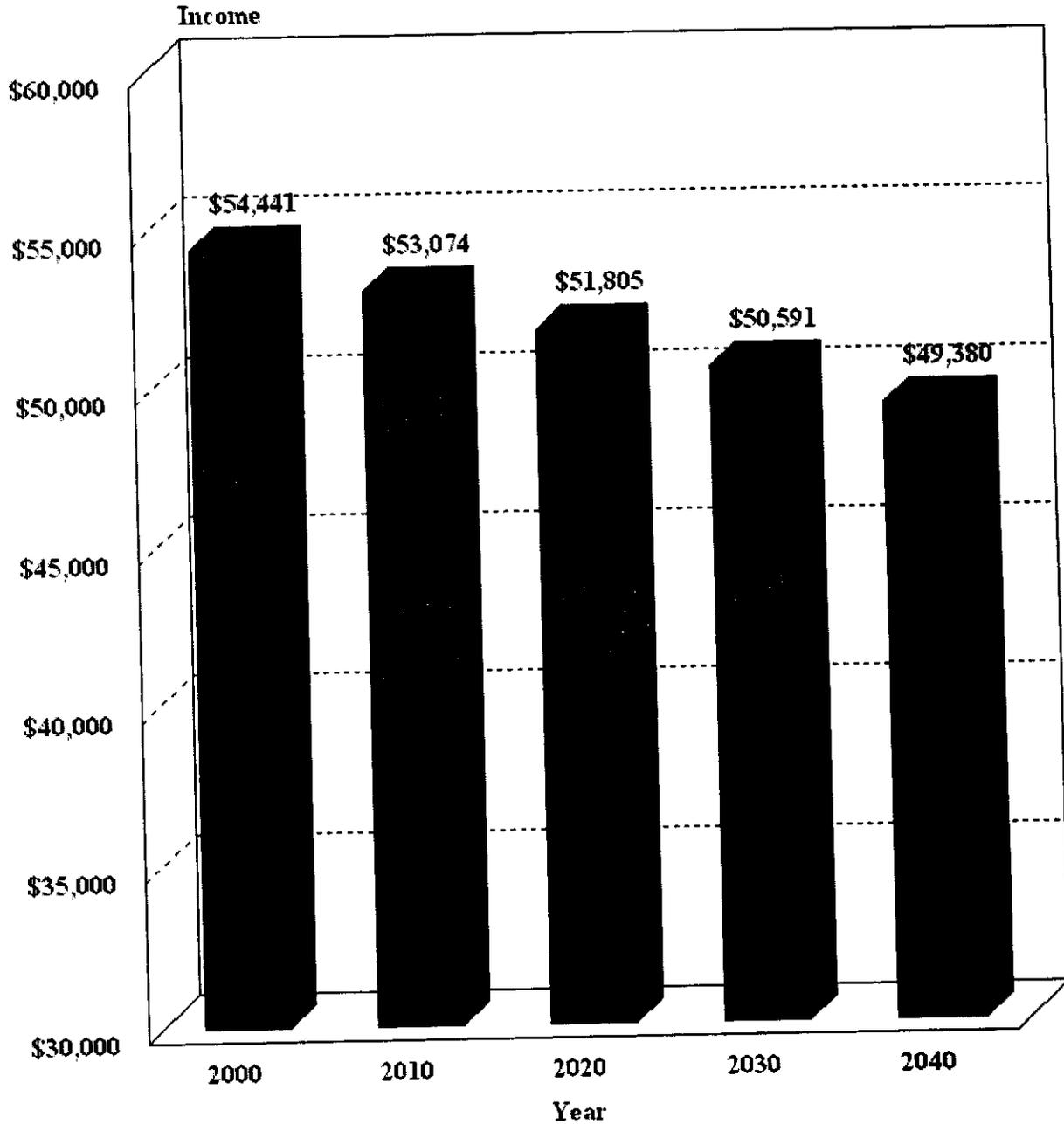
Percent Change in Texas Households by Alternative Projection Scenarios, 2000 to 2040



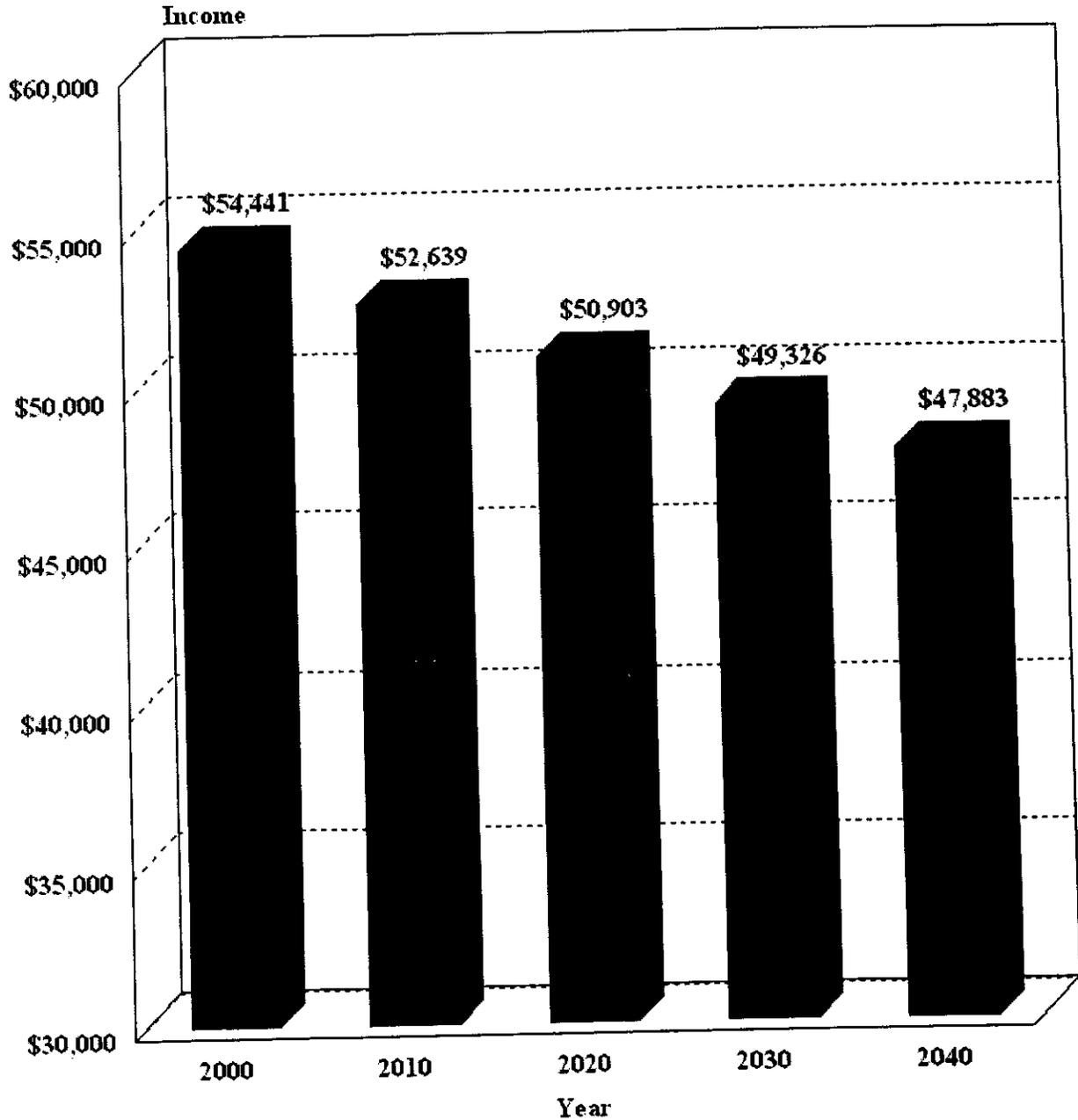
Median Household Income in Texas by Race/Ethnicity of Householder, 1999



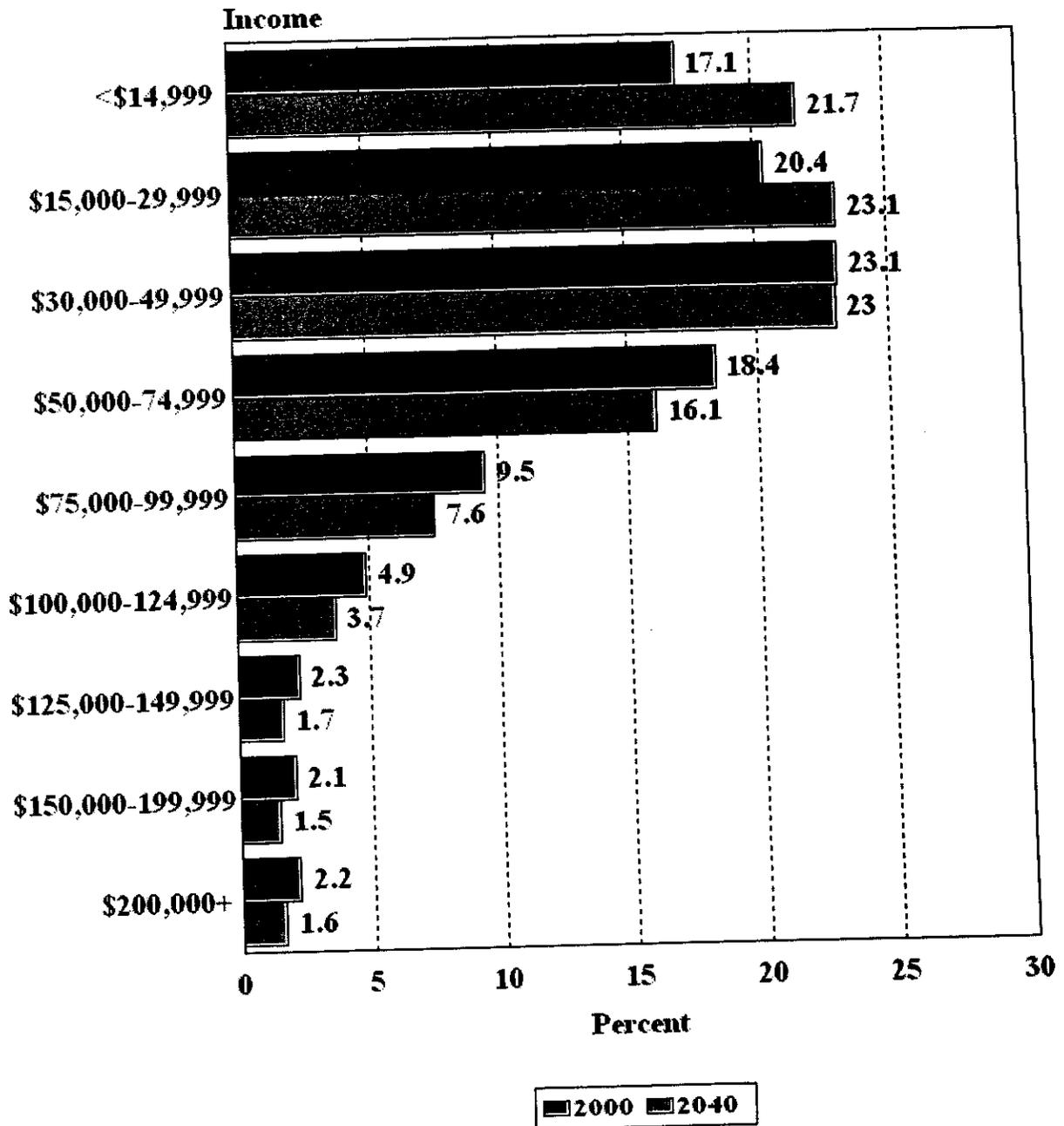
Average Household Income in Texas (in 2000 Dollars), 2000 to 2040 (0.5 Scenario)



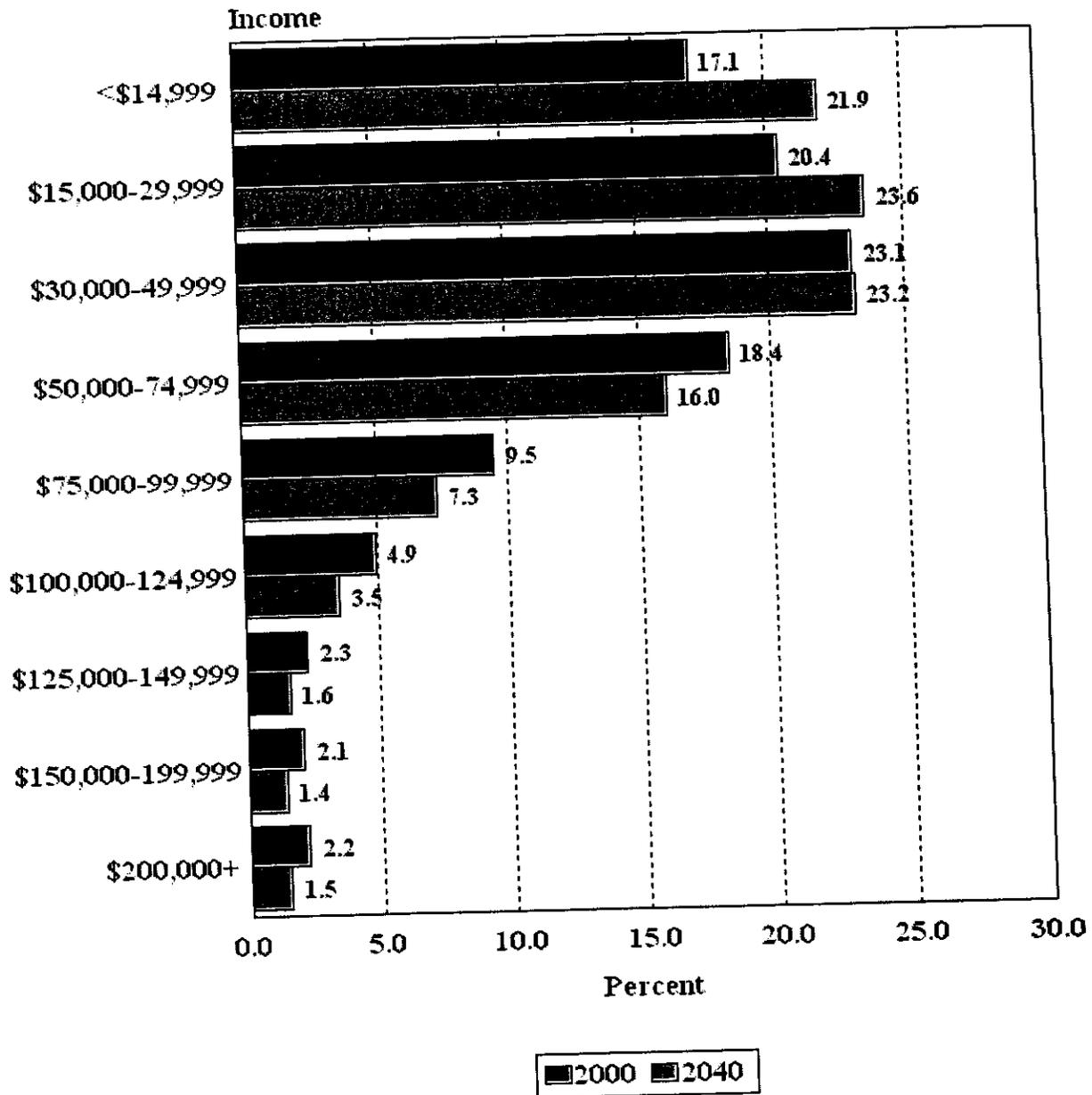
Average Household Income in Texas (in 2000 Dollars), 2000 to 2040 (1.0 Scenario)



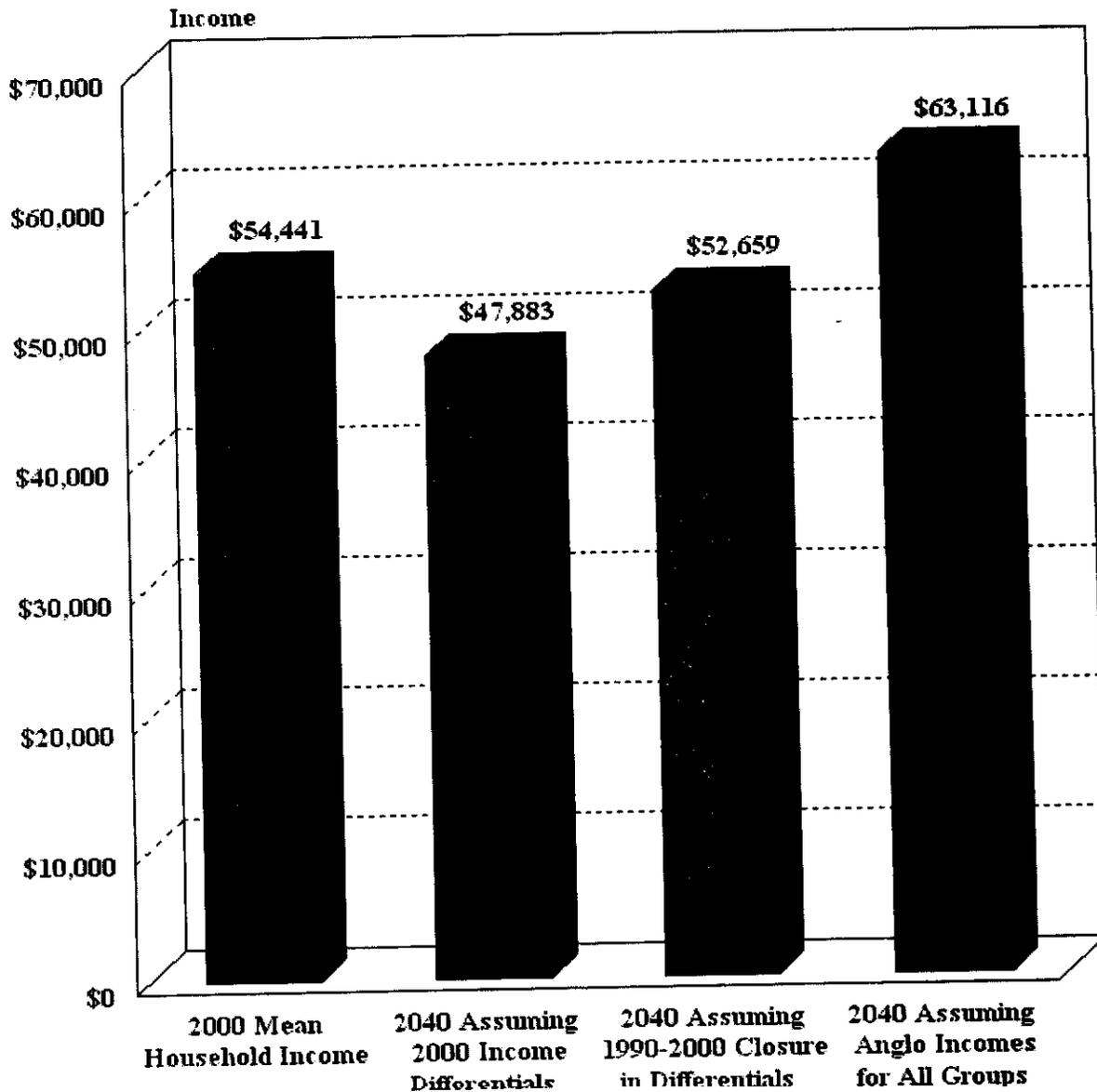
Percent of Texas Households by Income Category in 2000 and Projections for 2040 (0.5 Scenario)



Percent of Texas Households by Income Category in 2000 and Projections for 2040 (1.0 Scenario)

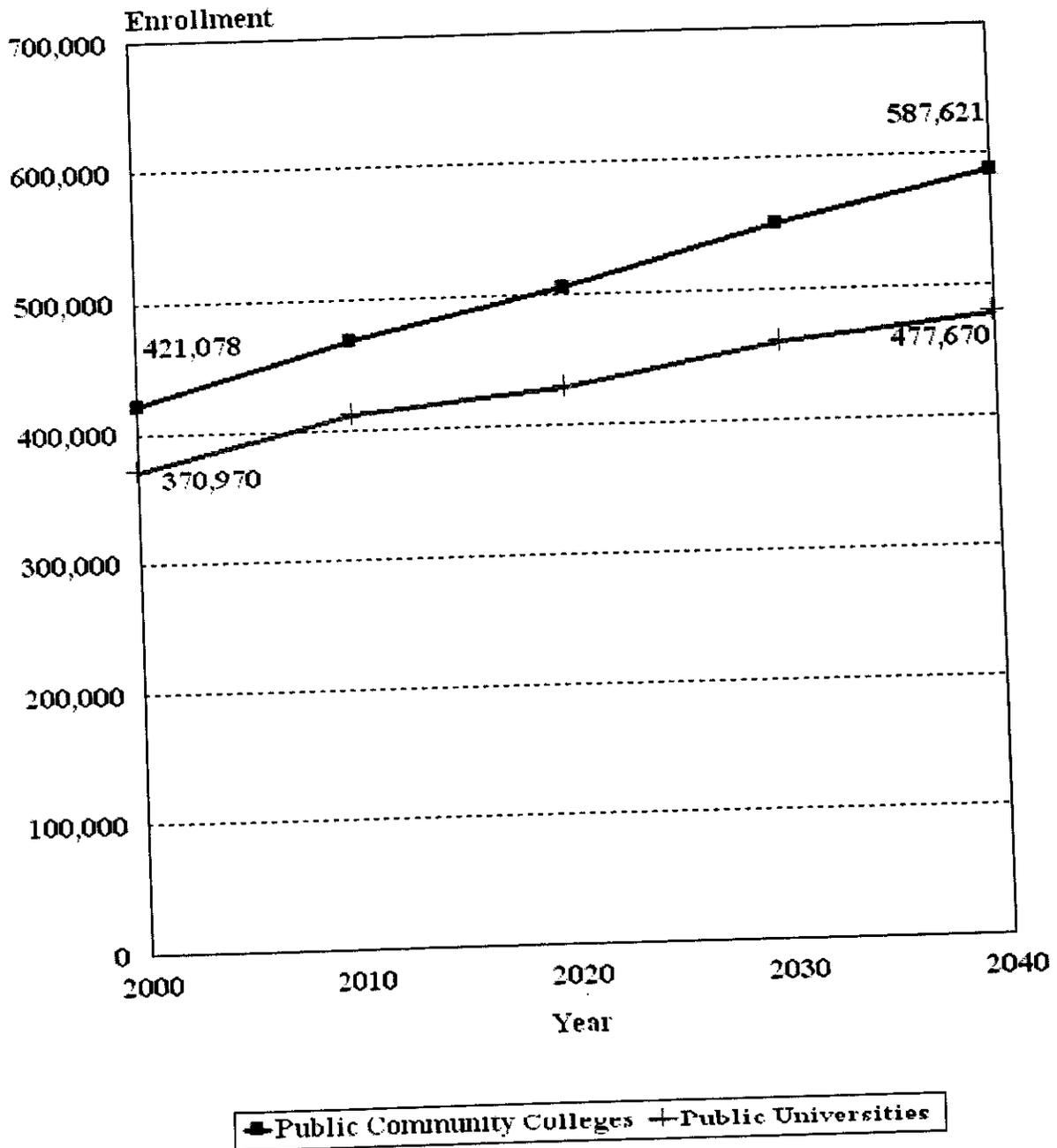


Mean Household Income in Texas in 2000 and Projections for 2040* Assuming 2000 Rates, 1990-2000 Rates of Closure Between Anglo-Black and Anglo-Hispanic Incomes, and Anglo Income Levels for All Race/Ethnicity Groups

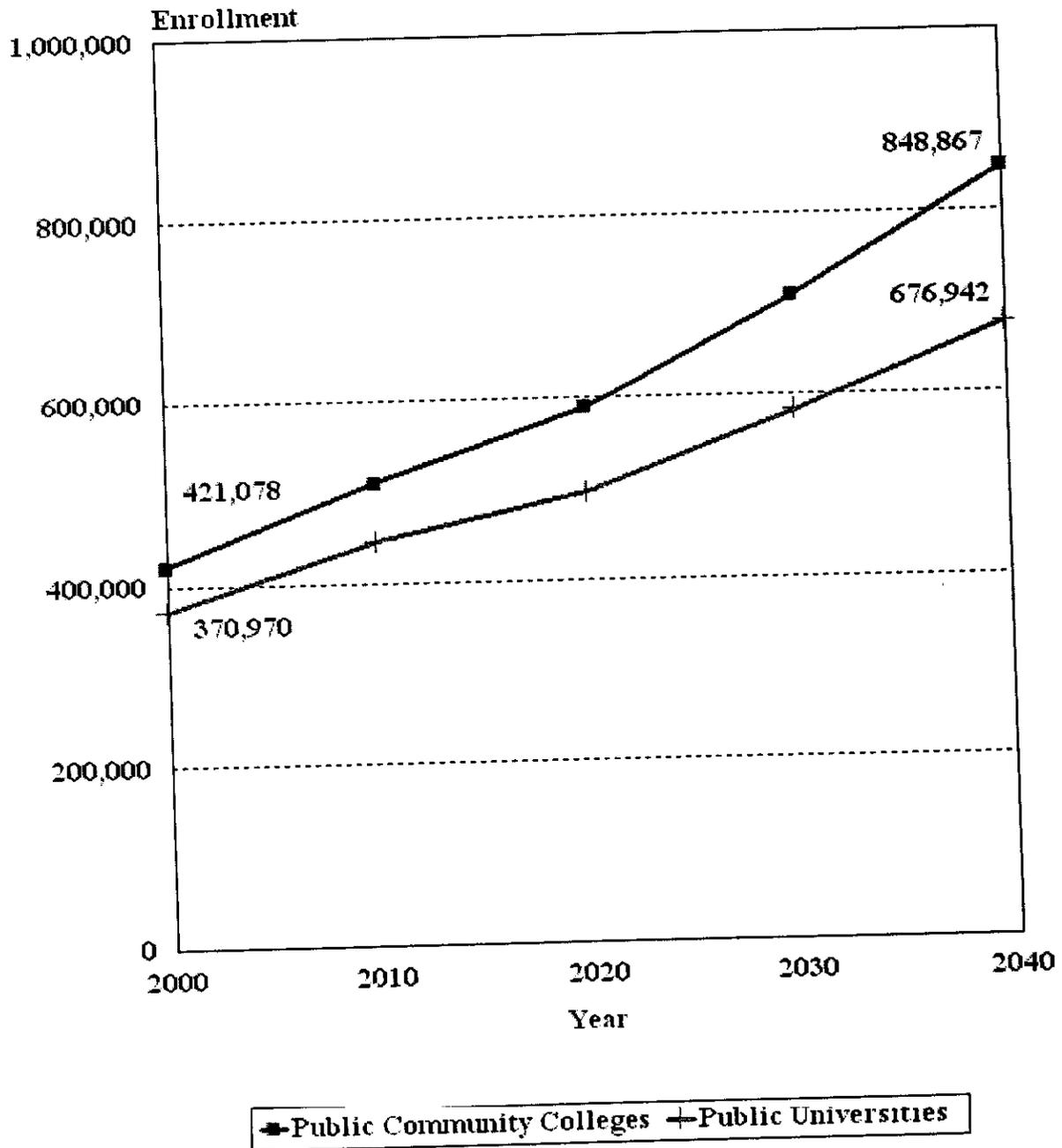


* Projections are shown for the 1.0 scenario

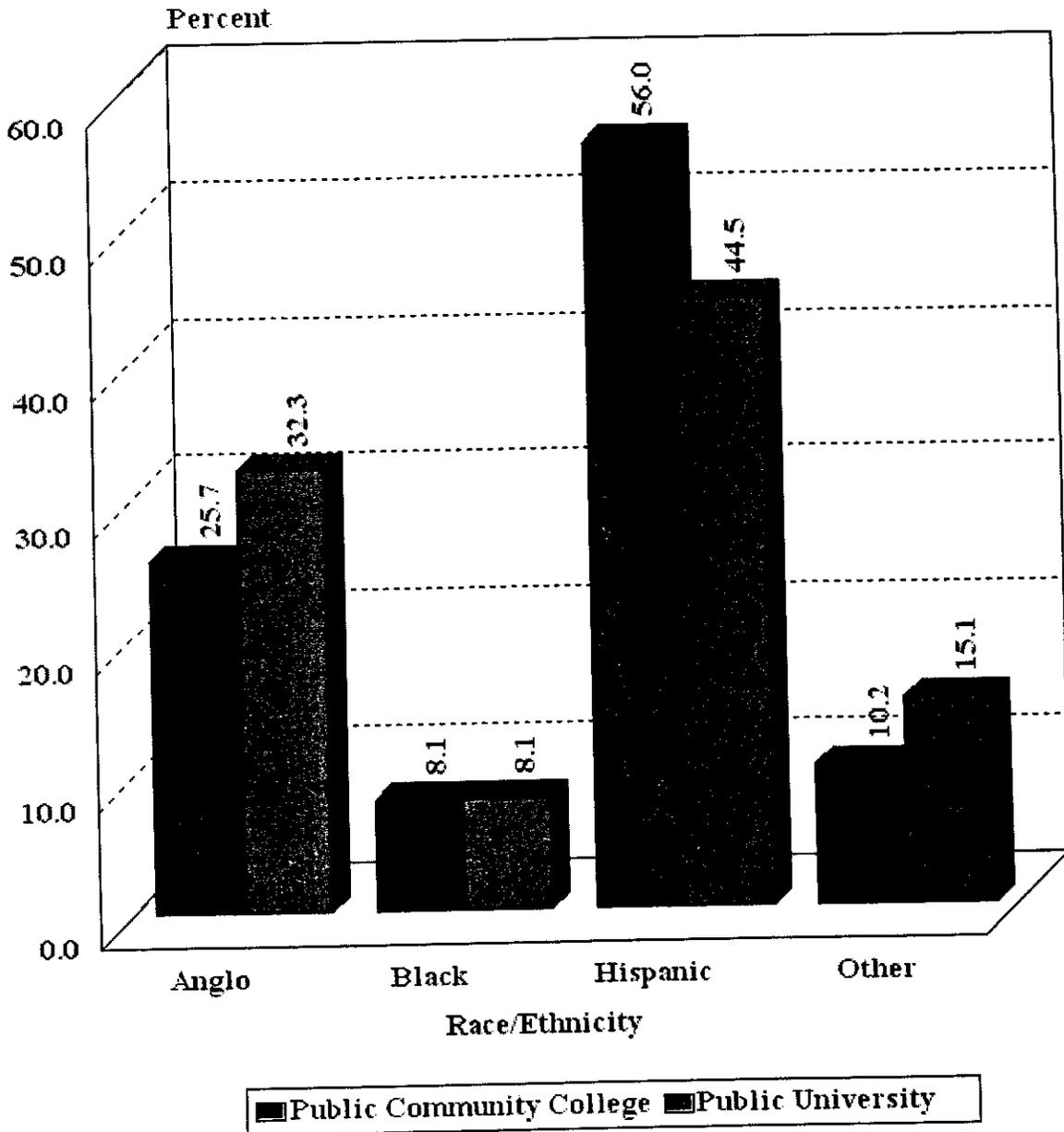
Enrollment in Texas Public Community Colleges and Universities in 2000 and Projections to 2040 (0.5 Scenario)



Enrollment in Texas Public Community Colleges and Universities in 2000 and Projections to 2040 (1.0 Scenario)



Projected Percent of Public Community College and Public University Enrollment in Texas by Race/Ethnicity, 2040*



* Projections are shown for the 1.0 scenario

Report of the Joint Interim Committee on Higher Education to the 79th Legislature

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- ⁴² Ibid., 12.

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- ¹⁶⁰ Section 56.078, Texas Education Code.
- ¹⁶¹ Section 61.654, Texas Education Code.
- ¹⁶² Section 61.652, Texas Education Code.
- ¹⁶³ Section 54.007, Texas Education Code.
- ¹⁶⁴ Ibid.
- ¹⁶⁵ Section 52.11, Texas Education Code.
- ¹⁶⁶ Ibid.
- ¹⁶⁷ Section 52.11, Texas Education Code.
- ¹⁶⁸ Ibid.
- ¹⁶⁹ Section 56.302, Texas Education Code.
- ¹⁷⁰ Section 56.402, Texas Education Code.
- ¹⁷¹ Section 56.305, Texas Education Code.
- ¹⁷² Section 56.405, Texas Education Code.
- ¹⁷³ Section 56.305, Texas Education Code.
- ¹⁷⁴ Section 56.405, Texas Education Code.
- ¹⁷⁵ Section 56.305, Texas Education Code.
- ¹⁷⁶ Section 54.2155, Texas Education Code.
- ¹⁷⁷ Section 431.090, Texas Government Code.
- ¹⁷⁸ Section 54.2155, Texas Education Code.
- ¹⁷⁹ Section 56.203, Texas Education Code.
- ¹⁸⁰ Ibid.
- ¹⁸¹ See Interim Charge Two. Dual Credit.
- ¹⁸² See Interim Charge Two. Dramatic Enrollment Growth Fund.
- ¹⁸³ See Interim Charge Two. Small Colleges Funding Floor.
- ¹⁸⁴ Ibid.
- ¹⁸⁵ Texas. Workforce Commission.
- ¹⁸⁶ See Interim Charge Two. STARLINK and Virtual Colleges of Texas.
- ¹⁸⁷ Ibid.
- ¹⁸⁸ Ibid.

ENDNOTES

¹⁸⁹ See Interim Charge Two. Texas Grant II.

¹⁹⁰ Texas. Higher Education Coordinating Board.

¹⁹¹ Ibid.

¹⁹² The *Austin American-Statesman*, September 1, 2004 edition

¹⁹³ Ibid.

¹⁹⁴ Legislative Budget Board.